

## Steel unions defy 'no work, no pay' warning

Long confrontation between the steel unions and the British Steel Corporation was feared yesterday as the attitude of the workers hardened against proposed economic cuts. Although the corporation advised about five thousand men to stand down because there was no work, most of them stayed up for work. The largest union is to meet tomorrow to discuss calls for strike action.

## Strike call grows as men occupy plants

Paul Routledge  
Editor

Thousands of steel workers today defied management warnings not to report for work, and set out to show that they were not prepared to accept a long confrontation between the steel unions and the British Steel Corporation. At least 100 men in five plants occupied management offices at home because there was no work, and followed no instructions to report as at. Although told there was no work, no pay, they stayed in the factories, staging a symbolic 'work-in'. No work was produced, and at one plant, Port Talbot, 300 workers could roll mill went on strike.

There was also trouble at Llanwern, Ebbw Vale, Trostre and Vellodre plants, works, and Shelton. Most of those plants produce sheet steel for the car and consumer durable industries, for which demand is lower than for a long time. At Corby tube works, about 100 men refused to be redeployed. Even at the profitable River Don works, in Sheffield, the men are handing overtime from today in protest at the economy measures.

The big plants in Teesside and in Scotland are not yet back to normal after the new year's holiday, and will not be involved until Wednesday, and the new Acheson plant at Scunthorpe is benefiting from the steel corporation's policy of diverting such work as there is available to modern, high efficiency units.

The corporation is adamant that the men will not be paid for attending their place of work yesterday, though this cut of £10-£15 a week in their pay packets will not be felt until the end of next week because the men work a week in hand. By that time opposition to the cost-cutting is almost certain to have grown.

In the steel-making area of Sheffield-Rotherham opposition will be coordinated at a meeting of the South Yorkshire Trades Council on Saturday. The corporation has already asked the unions to waive the claim, and is expected to tell the men that no cash for a pay rise is available during the severe economic recession in the industry.

As 'more men are told there is no work for them because of the switching of orders to profitable plants, feeling, already running high, may precipitate more strike action. That is particularly likely in Scotland, which has not yet felt the impact of the new measures and where unofficial strikes took place over earlier, less stringent wage economies.

Mr William Sims, general secretary of the Iron and Steel Trades Confederation, has gone on record as being opposed to official stoppages, but he has also acknowledged that the executive is under strong pressure from a number of branches to call a strike. That pressure is likely to reach a fresh pitch at tomorrow's meeting.

After discussing the need for incentives, Mr Healey said: 'I would certainly like, on the whole, I think to relax taxation on what people earn, even if it means increasing it on what people do not earn.'

He believed the middle man earning between perhaps £4,000 and £8,000 a year 'has taken quite a caning, and I would like to help him'. But Mr Healey pointed out that every Chancellor of the Exchequer faced thousands of problems and had to try to determine the priorities.

## Chancellor rules out flat sum for next curb

By Martin Huckerby  
Political Staff

The Government plans to continue an income policy well into the future, probably extending into 1978, Mr Healey, Chancellor of the Exchequer, indicated yesterday. 'We must continue the policy in the next wage round and the one after that—probably', he said.

His statement came during an interview on London Weekend Television's *Weekend World*. Giving some pointers to the Government's thinking about wages, two of its pay policy, due to start in August, he said that the present limit of £6 a week on pay rises could not be replaced by an agreement based 'on a flat sum which is the same for everybody'.

A pay rise norm which involved no inflation would have to be about 3 per cent on top of the present average wage of about £60 a week, but such a limit would be 'more than it is reasonable to expect people to accept'.

'The immediate sacrifice which would be required if you were going to stop inflation dead in its tracks in 12 months is probably greater than the system would tolerate. He wanted to go as far as 'we could expect to in the real world'.

He believed that the single two policy would have to allow for the correction of anomalies, the restoration of differentials and higher pay for people who sharply increased their productivity, and would have to take account of what the market demanded for different kinds of skills.

'I think the real problem next year will not be so much in fixing the overall amount of the wage increase; I am fairly optimistic that people are going to be sensible on that. It is going to be to have a very much more flexible type of arrangement which will enable us to correct some of these anomalies.'

The Chancellor was confident that he would be able to withstand the pressure put on him in relation to the economy. 'It would be impossible for me to deal with unemployment by a general increase in demand of thousands of millions of pounds until we got our inflation rate down to international levels', he said.

'We have not reached that position yet.' He had been discussing the matter 'continuously with my colleagues, both in the Labour Party, in the Cabinet, and in the trade union movement'.

Of demands that he should reduce public spending, he said: 'To cut the public sector deficit, or to eliminate it, this year would have been a mad idea. It would have meant unemployment of probably three million.'

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## Improved sea defences prevent disaster on 1953 level

By Neville Hodgkinson

As hundreds of home owners were mopping up yesterday after Saturday night's floods on the east coast of England, there was some comfort in the fact that sea defences and warning systems introduced after the 1953 flooding disaster had, for the most part, done their work.

A huge tidal surge battered the coast on Saturday evening, associated with the gales of the previous 48 hours, which led to more than 20 deaths. The tide came slightly higher than that of January 31, 1953, when more

than 300 people were killed and vast areas inundated.

This time, however, few points in the sea defences were breached and there was no loss of life from flooding.

Millions of pounds were spent on strengthening the defences in the late 1950s and the 1960s, and river authority spokesmen said yesterday that that had prevented far more damage.

The worst breach was at Cleethorpes, Humberside, where nearly 400 homes were flooded to depths of up to four feet and parts of the railway line run-

ning into the town were washed away.

The police, river authorities and emergency services were alerted on Saturday night by the Meteorological Office in Bracknell, Berkshire. It was set up after the 1953 disaster and is run by a retired naval lieutenant-commander and three naval hydrographers.

They divide the east coast of England into five sections, of which the most northerly was given a provisional flood alert on Saturday night, 12 hours

before high tide, confirmed as an alert eight hours later. The second section was given a confirmed alert 12 hours in advance, later raised to a danger warning, the strongest.

The third and fourth sections were given danger warnings 12 hours in advance, and the fifth raised as an alert and was started as danger.

The predictions are obtained by applying a mathematical equation which takes into account early tide level readings from Scotland, where high tide comes first, meteorological information, and information

relating to previous tidal surges.

The Meteorological Office in London said yesterday that the huge tide was a direct result of an intense depression that moved from west to east across southern Scotland on Friday and into the North Sea on Saturday.

The gales associated with the depression had been the worst for almost 30 years, with gusts of about 100 mph in places. There had been intense south-westerly and westerly winds over the north and north-east on Saturday, which prevented one tide from receding and drove Saturday night's tide to its abnormal level.

The gale damage runs into millions of pounds.

Mr Michael Brotherton, Conservative MP for South, called on the Government yesterday to act immediately to help those affected. He has written to Mr Crasland, Secretary of State for the Environment and MP for Grimsby, with the request.

Apart from flood damage, many areas had been blacked out last night since Friday. Storm devastation cut electricity supplies to 300,000 consumers in the Eastern Electricity Board's region alone. By last night a 1,000-strong repair team had restored supplies to 200,000 people.

Many household insurance policies cover flood and storm damage, and companies advised policy holders to inform their insurer immediately if they think they are covered.

The storm, which swept across Germany, France, Belgium, Holland, Switzerland and Denmark on Saturday, leaving at least 17 dead, yesterday moved east towards the Black Sea, diminishing in intensity.

An air-sea search yesterday failed to discover the 500-ton British coaster *Caracotic*, which on Saturday night sent out distress signals north of the Dutch island of Texel. British and Dutch reconnaissance aircraft flew over the area yesterday.

Trail of havoc, page 2



A telephone box, toppled by hurricane force winds, lies on the wreckage-strewn scafront at Walcott, Norfolk.

## Five Catholics killed as IRA 'gangsters' are condemned

From Our Correspondent  
Belfast

Five Roman Catholics were killed by gunmen in two incidents in Clontarf last night, hours after the Northern Ireland Office had attacked a Provisional IRA threat for a full-scale renewal of terrorism unless Britain withdrew her forces.

Two brothers, aged 19 and 24, and their uncle, aged 61, were killed at a family reunion at Ballydugan, near Lurgan, co. Armagh. Another man was injured. His condition last night was said to be serious.

In the second incident, at Whitecross, south Armagh, two brothers were killed while watching television. A third brother was in hospital last night with stomach and leg wounds. He was said to be in a serious condition.

Mr Seamus Mallon, the Social Democratic and Labour Party member for Armagh in the Northern Ireland Convention, said later that all the victims were party members.

A senior security source said: 'The timing of the two raids and the fact that Catholics were the victims in each case, must be more than coincidental.'

The Northern Ireland Office's earlier response to the IRA threat came after seven bombings on Saturday in which 40 people were injured and the shooting at Cookstown, co. Tyrone, of an RUC reserve constable, who was said to be seriously ill last night and a civilian. It said the IRA threat was theatrical, unreal and self-justifying.

The said: 'The so-called Belfast Brigade of criminal gangsters have themselves created a record of murder, destruction and bloodshed which would be hard to equal.'

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They now appear to wish to bring to Northern Ireland another bloodshed new year. They, who have killed, maimed, destroyed and intimidated, not for Ireland but for their own criminal and selfish ends, have the effrontery to speak of terror tactics by British troops.

In particular, they make it clear that they are totally opposed to the exercise of the democratic rights of the people of Northern Ireland and the United Kingdom as a whole to determine their own future.

They stand indicted by the record of their own murderous activities as the enemy of the whole community in Northern Ireland. They have set the community and the law a challenge that must and will be met by the due processes of the law.

The Provisional IRA's warning was published in the *Republican News* on Saturday under the heading: 'Belfast Brigade sounds a grim warning to Britain—Your days in Ireland are numbered.' It said that if Britain refused to give a declaration of intent to withdraw, 'the full resources of

the republican army would be utilized to force Westminster to meet the wishes of the Irish people.'

It added that IRA units throughout Northern Ireland had been placed on alert and were ready and able to defy any attempt to set up a devolved government at Stormont.

'The sacrifices and deterioration of the past five years must be remembered and developed. Britain has been given the chance to withdraw from Irish soil in a phased and orderly manner. The choice is hers. She can release the Irish people from their colonial yoke without bloodshed or she can order her beaten and demoralized army to protect the flag for a few more years.'

On the ceasefire, the Provisional IRA said that it stood by the terms of the truce, and had taken legislative action only when British troops had 'engaged in terror tactics' against the civilian population.

A bomb hurled into the Golden Hind Bar, Portadown, co. Armagh, injured 21 people on Saturday.

Although in south Armagh, the Lough Inn was badly damaged after a bomb in a holdall was placed at the door.

Car measure: From today it will be an offence in Northern Ireland to park a vehicle without locking the doors and closing the windows (The Press Association reports).

The new regulations, aimed at reducing the use of stolen vehicles for crime, will be added later to require drivers to immobilize their vehicles by using anti-theft devices or removing vital engine parts.

## Ford denial on training Angola mercenaries

From Patrick Egan  
Washington, Jan 4

President Ford said yesterday that the United States was not training foreign mercenaries to fight in Angola, but was expending some federal funds 'trying to be helpful'. Various official spokesmen said on Friday that no American mercenaries were being trained for Angola, but avoided the question of the training of foreigners.

Mr Ford was giving a television interview which will be broadcast tomorrow. Talking about the American involvement in the civil war in Angola, he left open the possibility that American money was being used to pay for mercenaries fighting with the two anti-communist groups there.

He said the United States was working with other nations, including the Soviet Union, to solve the problem, 'to give the Angolans an opportunity to make the decision for themselves, and I think that is a proper responsibility for the Federal Government.'

The President defended the detente policy, despite Russian involvement in Angola. 'If the American people will take a good, candid look at the benefits of detente', he said, 'I think they will support it.'

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Meanwhile, the House of Representatives' committee on Intelligence, which has been examining the activities of the Central Intelligence Agency, has prepared a report on Angola and American involvement in events there. The President is exerting every effort to have it suppressed. He claims the right to veto its publication, and has written to the committee chairman, Mr Otis Pike, saying that to publish it would jeopardize national security.

The report apparently maintains that there has been a process of co-opting a coalition between the Soviet Union and the United States in supplying arms to Angola. The CIA is said to have started supplying arms to the pro-Western forces there last spring (the official version now maintains that the first shipments came in July) and that the first shipment worth some \$300,000 (€150,000) might have been taken by the Russians as a challenge.

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## US hearings on Concorde's fate take place today

Hearings begin in Washington today which will decide whether the supersonic Concorde will be allowed to use of American federal airports. Evidence and arguments will be heard by Mr William Coleman, the Secretary of Transportation. He has promised that he will give his verdict within 30 days and he said that he will reach the decision out any outside interference. Page 4

## LA want bigger loan

Port of London Authority, after making a loss last year which may be as high as £1m, is seeking government approval for a substantial increase in its borrowing. These were set at £12m in 1975. Page 13

## Chrysler rescue deal signing imminent

Chrysler is almost certain to sign the rescue deal with the Government today, after acceptance in principle by the unions on Saturday of the 8,300 redundancies involved. The agreement provides for a state commitment of up to £100m to help the American-owned company to continue operations in Britain, and it is expected that the first instalment will be immediately available. Page 13

## Homicide rate doubles

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The French Ministry of Agriculture has published a decree setting out the conditions for the production of the Normandy cheese. It also joins the 17 other cheeses, out of more than 300 French varieties, in the distinction of having a certificate of origin. Page 3

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South Africa's first television service opens today. An estimated one million people are expected to watch the official opening on sets which, at £500 each, are probably the world's most expensive. Page 4

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The Labour Party was split from top to bottom because it was really two parties, Mrs Thatcher, Leader of the Opposition, said yesterday. She said she would bring down the Government as soon as possible this year. But in a new year message Mr William Sheehy, chairman of the Tory Reform Group, said the Conservatives were determined to remain permanently in opposition unless they widened their appeal. Page 2

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## EEC urged to join forces against terror

Struttgart, Jan 4.—Dr Malhofer, the West German Minister of the Interior, today urged his country's EEC partners to join forces against international terrorism.

He told a radio interview that the fight against terrorism must be waged on an international level because terrorism had also closed ranks on an international basis.

International terrorism would come to no end only if any terrorist realized that he would find no haven.

Dr Malhofer said he would propose at the next meeting of the EEC ministers of the Interior that they conclude an anti-terrorism pact on a European level. Such a pact could gradually be extended to a world-wide convention.—UPI.

## QE2 heads for dry dock

Norfolk, Virginia, Jan 4.—The Queen Elizabeth 2, heading for New York after a Caribbean cruise, changed course for Norfolk yesterday after beginning to ship water through a five-foot gash in the bows. Cuatrecasas said there was no danger.

The liner changed course after failure of a temporary repair to the gash, sustained while docking in Nassau, Bahamas. Drydock repairs are expected to take 48 hours, and 800 passengers will go on to New York by chartered train.—Reuters.



A reflection of good taste  
Blue Nun from Sichel  
right through the meal



HOME NEWS

# High tides flood homes and cut railway lines

By a Staff Reporter

The high tides that worked their way down the east coast of England on Saturday night burst sea defences, washed away beaches and railway lines, wrecked holiday chalets and flooded hundreds of shops and homes.

On Humberside low-lying parts of Hull were affected but the worst damage was caused at Cleethorpes, where nearly 400 homes were flooded to depths of up to 4ft.

The town's sea wall was broken in three places, parts of the coastal railway line were washed away. British Rail said yesterday that no trains would be running into Cleethorpes for the time being.

At Mablethorpe, Lincolnshire, and the neighbouring resort of Sutton-on-Sea, the sea burst over the defences and swept through the main streets. Scattered sand and driftwood were being cleared from the streets yesterday.

Mr Frank Brackenbury, sea defence foreman with the Anglian Water Authority, Lincolnshire rivers division, said 15ft waves that pounded Mablethorpe beach on Saturday had washed away sand that had taken years to accumulate and would take years to replace.

Along parts of the sea wall where previously the sand was banked up to give a continuous incline there was now a drop of up to 30ft.

On the Norfolk coast 50 people were evacuated on Saturday night from their homes in the village of Walcott, between Cromer and Great Yarmouth. Waves tore a 30ft gap in the sea wall, which had been rebuilt to protect the village after the 1953 floods.

Chunks of concrete from the wall struck the beach chalets and wreckage was washed over a wide area. The RAF provided warm air blowers yesterday to help to dry out shops and houses that were flooded with up to 5ft of water.

Police and firemen used rowing boats to take people clear on Saturday night, but one man, Mr Alfred Grimes, aged 74, declined an offer of help as rescuers rowed across his garden. He said yesterday he had sat at his door during the 1953 flood, and felt he could not do the same this time.

North Norfolk District Council, which held an emergency meeting yesterday, said that houses for those whose homes were still uninhabitable, said that millions of pounds spent on strengthening sea defences



All that was left of a polythene-covered lettuce greenhouse at Offenham, near Evesham, after the gale.

since 1953 had greatly reduced the damage on Saturday.

Mr Terence Nolan, the council's chief executive, said there was good warning and the emergency arrangements worked well.

Floodwater stopped the train service between Great Yarmouth and Norwich, and a special bus service was provided yesterday while repairs to the line were carried out. The Lowestoft-Norwich line was closed by damage at Had-discoe.

At Cromer the pier was closed after concrete supports were washed away and about 200 beach huts were washed out.

The £125m prefabricated concrete landing stage at Liverpool, opened only six months ago for the cross-Mersey ferry services, was lying on the river bed yesterday with only the tips of its lamp-posts showing above water. It was a victim of the 75-mph gale which swept Merseyside on Friday night.

On Saturday it was noticed that the 200-yard landing stage was listing and 60 passengers waiting for the ferries were evacuated. At low tide unsuccessful efforts were made by

salvage ships to pump out the water which had flooded into the compartments in the hope that it could be refloated.

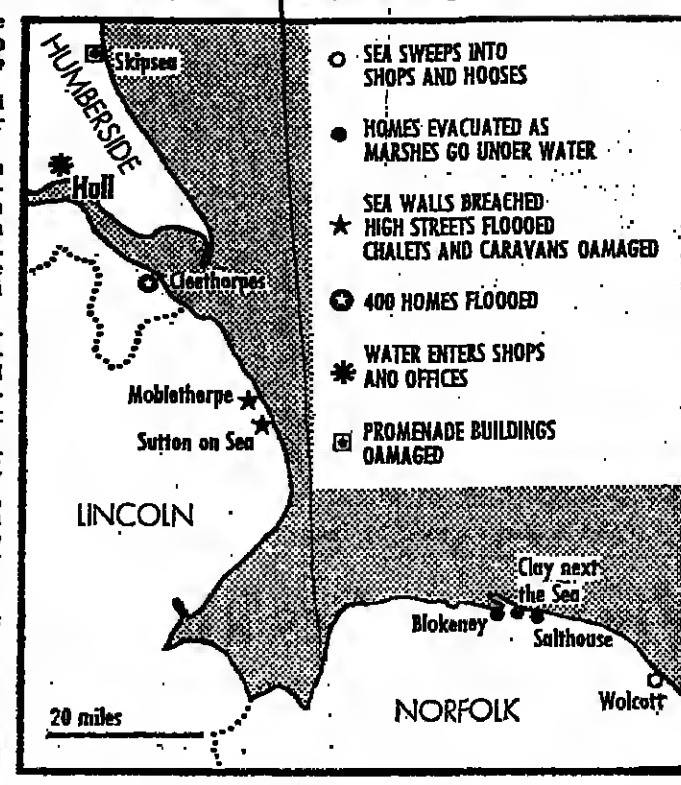
It was decided to sweep the ferry service until further notice.

The stage was opened in July after the parts, manufactured in Dublin, had been floated across the Irish Sea and assembled at Birkenhead. It replaced a wooden structure which had been in operation for a century.

One of Britain's largest caravan firms, Don Amor Caravans, yesterday estimated damage at their Hilton show-ground, near Derby, at about £100,000.

The Queen and other members of the Royal Family were sitting in the unheated, unlit Sandringham parish church yesterday as the bishop of Norwich, the Right Reverend Maurice Wood, announced the last hymn of the service: "The people that in darkness sat a glorious light have seen."

Suddenly the power, cut off in Friday's gale, was restored and the lights blazed. The National Farmers Union said the storm was a catastrophe for growers.



## Number of killings doubles in 15 years

By John Roper

Medical Reporter

In the past 15 years the rate of murder, manslaughter and infanticide has doubled in England and Wales and the figures show a significant rise in homicides committed with knives, a report published today says.

The document, from the Office of Health Economics, says that children in their first year are the age group most at risk, and then young males in their twenties. The latter are also the group most likely to commit such a killing.

In the first half of the 1970s about one in every three male homicide victims were killed by stabbing, as opposed to one in seven in the 1950s. Poisoning, as frequent as stabbing in the fifties, now accounts for one in 50 homicides.

But by national historical and present international standards British homicide rates are relatively low, the report says. In the United States the equivalent figure was more than 10 times greater: 105 a million, against about 10 a million in 1973 in England and Wales.

One reason given for the high number of murders in the United States was the easy availability of firearms, which in 1973 accounted, with explosives, for just over 67 per cent of the 20,465 recorded victims. Racial and linked socio-economic factors suggested that cultural background was important.

The report notes that there is a close similarity of social circumstances between groups most likely to commit murder and those at the highest risk of being murdered. This was particularly true of 60 per cent of homicides occurred within family groups or between lovers. The most common motive was rage or jealousy.

The Office concludes that it would be useful to prepare published homicide statistics in Britain in such a way as to permit a breakdown of the social class and cultural background of both victims and offenders, and to be responsible for their deaths.

At present official figures concentrated mainly on legal definitions and the judicial response. A broader basis for recording them could show opportunities to the next five years for fundamental changes in the broadcasting system.

The technical limitations on the supply of programmes which were imposed by a shortage of channels or frequencies, and which provided the rationale for a centralized broadcasting system have been breached by developments in cable systems and other technologies.

The final stability that gave the system a degree of certainty was threatened by a combination of inadequate revenues and soaring costs. The stress was such that both BBC and commercial broadcasters

## Labour split is basic, Mrs Thatcher says

By Our Political Staff

The Labour Party was split philosophically from top to bottom, Mrs Thatcher, leader of the Conservative Party, said yesterday.

Questioned on the BBC radio programme, *The World This Week*, on whether both she and Mr Wilson presided over parties which were coalitions of people with considerably differing opinions, Mrs Thatcher replied: "His problem is very different from mine, and he has got a real problem on his hands."

The Labour Party was basically two parties, she said. It is one which wants what I call the Marxist solution, the state owning and controlling pretty much everything, and the other half of his party which wants the continuation of a mixed economy, she is quite a sizeable slice of free enterprise."

She believed that these were fundamental philosophical differences. "I have no fundamental philosophical differences with my party. We agree that we must have a mixed economy if we are to continue to have liberty in this country. The differences which I have are very minor. They are differences of emphasis."

She also pointed out that over the EEC referendum, for the first time in her life one half of the Cabinet had been publicly fighting the other half. "The battle still seems to be going on. Why in the world

Harold Wilson did not deal with it after he got that tremendous majority on the referendum is to me a mystery."

In 1976, she said, she would bring down the Government as soon as she could. "The longer they go on, the more difficult it will be to do the structural changes which ought to be made."

She added that it was certainly not enough for her to be just Leader of the Opposition. "I want to be Prime Minister, of course I do."

She described 1975 as a year to remember, although not a year one wanted to go through again. On the Government's achievements, "No one could have made a bigger hash of it than this lot here."

"She was particularly critical of the Government's failure to deal with the structural problems faced by the country. The Government was running away from the problems, just slipping and sliding, whereas other countries were facing them."

Mrs Thatcher said the cost of nationalized industries were so much higher than those of private enterprise and she also thought the Government was going fundamentally the wrong way in the Chrysler affair.

She felt, however, that the Chequers industrial strategy, of resolving to invest in success where the Government was running away from the problems, was a good one. The Government could encourage those who could build up businesses and expand them.

## Tories 'must reform or be condemned to opposition'

By Our Political Staff

The Conservative Party was doomed to suffer permanent minority status and was destined for permanent opposition unless it broadened its base and widened its appeal, Mr William Shearman, chairman of the Tory Reform Group, said in a new year message.

In a sharp warning to Mrs Thatcher, the Conservative leader, on the dangers of moving to the right, he said: "The Conservative Party must not abandon the middle ground. It must not be lured on to the rocks of electoral disaster by the siren voices now to be heard within its ranks."

The Tory Reform Group, whose patron is Mr Peter Walker, the former Cabinet minister, applauded the desire to reassert certain principles so as to offer a credible alternative to the Labour Government.

"But the Tory party will not win the first-time voters, trade union members, immigrants and others if it becomes, or seems to be, one which represents a single class or which wants to perpetuate the social division in society."

Mr Shearman suggested that much of the present argument was based on a distorted observation with the attitudes of laissez faire liberalism.

Referring to points of view put forward by Sir Keith Joseph, a *bête noire* to the Tory Reform Group, Mr Shearman said the middle ground of politics was not a reluctant victim of the whims of the extreme left. "It offers the soundest, most secure foundation upon which to build a moderate, yet radical, political essential to tackling and solving Britain's deep-rooted economic and social problems."

He said that in 1976 a group would play its part in the new year message. "The Conservative Party must assemble the broadest possible coalition against collective 'Otherwise the prize of the natural governing party will fall to Labour by default.'"

## Trail of death and damage as gales move to Continent

The storm which brought death and widespread damage to Britain and many parts of western Europe at the weekend moved towards the Black Sea yesterday, dropping in intensity as it travelled east.

It left a total of at least 17 dead in West Germany, France, Belgium, Holland and Switzerland. And in south-west Jutland, where 20,000 people were evacuated and only a chain of wind saved three towns from being swallowed by rising flood waters, local politicians demanded an investigation into why a computerized advance flood warning system failed to work properly.

In West Germany, where hurricane-force winds and floods killed at least 12 people and caused millions of pounds of damage, tides receded yesterday below Saturday's flood level.

But as the thousands of people evacuated on Saturday

returned home, police, troops and firemen remained on alert in northern Germany after the Frankfurt weather office gave warning of possible North Sea storms today.

In the Haselroder polder region, soldiers and firemen evacuated 86 people after water from the Eibe broke through a dyke in six places yesterday. Soldiers in launches evacuated a further 78 people, including 40 children, who had spent the night in a school crowded by water.

Workmen began clearing dykes in low-lying areas of northern Germany which had been breached by Saturday's storm tides, which had reached a peak nearly 15ft above the average high water mark.

That peak was higher than the water level in 1962, when floods drowned more than 300 people. Sea defences have been greatly strengthened since then. Authorities considered that

danger had passed yesterday morning when the tide reached nearly eight feet above the median mark.

Most of the victims of Saturday's gales in West Germany were in cars swept off roads or crashing into fallen trees. But hundreds of houses were damaged and power short-circuits caused many fires.

In East Germany too, damage was widespread and 14 people were injured. Eleven crew members were missing after the East German coaster *Capella* sank in Saturday's storm off the Dutch North Sea island of Schiermonnikoog.

In Holland gales killed two people. A man died when his motor cycle was swept into a parked lorry and a woman was killed when she was buried against the wall of her balcony by a powerful gust.

Dutch authorities believe the storm damage will run into millions of pounds. Trees were uprooted and roof tiles and

complete roofs were blown off. But railway services disrupted by power failures on Saturday were back to normal yesterday. No dykes were breached.

In France two fishermen were reported missing after their boat was found overturned at Epinal. In the northern French town of Armentieres, M Marc Dural, aged 66, died, apparently of fright, at the sight of flames leaping from power cables that had toppled near his home.

In Besancon, eastern France, the storm pierced an inflatable dome housing a travelling exhibition of snakes, releasing several of the 500 venomous reptiles inside. Firemen and exhibition staff collected them before they could reach the streets.

In northern Belgium a boy, aged 10, was missing after being caught by a flood as he was trying to escape to a tunnel under a road.

The Belgian village of Ruisbroek-Sauvagearde was evacuated yesterday after breaches were discovered in three dykes. Two residents were injured during the evacuation. On Saturday two Belgian motor cars were killed in crashes caused by high winds.

In Switzerland 39 people, mostly foreign tourists, were brought to safety early yesterday after spending nearly nine hours trapped in an Alpine cable car immobilized by high winds above a mountain at Saas-Fee.

The car was brought to the lower station when the wind dropped.

One of three men making their way up the mountain in an effort to take food and hot drinks to the cable car was killed by an avalanche.

In Austria two climbers died of exposure in the Moudouthurn mountain. Meruzschlag, Styria province.

## Steel cuts and devolution debate cast gloom over Wales

These are difficult days for optimists in Wales. To many the prospect of a new dawn for South Wales this morning seems decidedly dim, and they prepare for the year ahead with the bleak smiles of dyspeptics who have run out of bicarbonate.

Against a background of rising unemployment, clouds thickened over the steel towns of Wales. People brace themselves for the imminent hard pruning of thousands of jobs, and steelmen discuss how to fight back. In Ebbw Vale, in the south, and Shotton in the north, there is concern that the gradual run-down of steel works by labour forces might now be speeded up.

Meanwhile, many people are unconvinced that peace has broken out at the important Llanvyrerby steel plant. After years of bitter mindless and rotten industrial relations they cannot believe that the failure to build a community in Cardiff has been rectified.

People are also waiting patiently for the rush of industrialists to fill those tempting Welsh Office advance factories. Fingers are crossed till knuckles whiten as the favoured Welsh Development Agency, with £100m in its

### Regional report

#### Trevor Fishlock Cardiff

pockets, gets down to curing Wales of its deficiency diseases.

Elsewhere, pencils are bared and throats sprayed, for what is known to some as Big D, the debate on devolution. The idea is to grasp an opportunity to give the people of Wales a closer, more efficient, management of their own affairs, without bungling the whole issue.

The prospect of the debate fills many with gloom, partly because the talk has been going on for a long time. Although devolution is reckoned to be the most important constitutional question of the century, the Welsh people of Wales have no clear idea what it is all about. The communicators need to their task knowing that devolution is, to many of their audience,

like one of those trigger words that stage hypnotists use to put people to sleep. In some part of Gwent, the Welsh Sauterndd, there are people who feel they are rats aboard an ss Cymru that will be sunk by devolution; and they demand that Gwent should have its old name of Monmouthshire, given back and should secede and rejoin England.

Down in the west, the people of the former Pembrokeshire look hopefully out to sea each morning for a sign of an oil rig which will find dreamed-of gushers of Celtic Sea oil that will save the Welsh nation and make Pembrokeshire rich. But there is as yet no sign of an oil rig.

On another front, there is no sign of a government decision to spend money on setting up the fourth television channel in Wales which would do much for social harmony. Perhaps another working party will be set up this year, in the interests of delay.

In any case, with the Welsh language bleeding at the rate of 200 people a week, it seems certain that the Welsh Language Society will be demanding staunching action by central and local government and

by underlining its demands in its singular way, will set fresh controversy rolling.

There will also be further grim talk about the cost of staging the national eisteddfod, and this may be the year when a decision is made to stop the event trundling round Wales and save money by giving it a strike in the balance between men, money, and peology.

Best of all, there is the prospect of defeating England at Twickenham later this month. It is also Wales Welcomes America Year, in which Americans are being encouraged, in the bicentenary of the United States, to come to Wales and prod their ancestral roots.

It does not seem much to brighten the greyness: a few strikes, a trial of a fistful of dollars. It would help, though, if both the Anglophobes and the Cymrophiles in Wales could sublimate their bigotry this year. Then perhaps King Arthur might fulfil the ancient prophecy: rise from the cave where he has been sleeping and lead Wales to its golden age.

## East German has firm lead in Hastings chess

From Harry Golombek Chess Correspondent

Hastings

At the end of round six in the Premier Chess Tournament at Hastings the lead was firmly in the hands of the East German grandmaster, Uhlmann, who had won his last two games.

He took some risks yesterday in his match game against Miles, who at one time looked to have strong counter-chances. But Miles got into time trouble and was outplayed in the last few minutes of the session. Uhlmann sacrificed his queen for a forced mate.

The only game in the adjourned round was that between Hartston and Sigurdsson. It looked very much in favour of the Icelandic grandmaster, whose pieces were more actively placed than those of the British champion.

The scores are: Uhlmann 5; Bronstein and Korchnoi 4; Hort, Kaplan and Taimanov 3; Janz, Sved and Sorenson 3; Nunn 2; Hartston and Sigurdsson 2 and one adjourned; Bellin, Bisguier, Karpis, round five: Sigurdsson 1; Bronstein 1; Sved 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round six: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round seven: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round eight: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round nine: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round ten: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round eleven: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twelve: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round thirteen: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fourteen: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifteen: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixteen: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round seventeen: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round eighteen: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round nineteen: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-one: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-two: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-three: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-four: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-five: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-six: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-seven: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-eight: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round twenty-nine: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round thirty: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round thirty-one: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round thirty-two: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round thirty-three: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; 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round forty-one: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-two: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-three: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-four: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-five: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-six: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-seven: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-eight: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round forty-nine: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-one: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-two: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-three: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-four: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-five: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-six: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-seven: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-eight: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round fifty-nine: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-one: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-two: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-three: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-four: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-five: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-six: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-seven: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-eight: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round sixty-nine: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round seventy: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round seventy-one: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1; Bisguier 1; Karpis 1; round seventy-two: Uhlmann 1; Bronstein 1; Korchnoi 1; Kaplan 1; Janz 1; Sorenson 1; Nunn 1; Hartston 1; Bellin 1







## Appointments Vacant also on page 8

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Applications should be sent to the Secretary, Department of Orthopaedics, University of Nottingham, Nottingham NG7 2RD.

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Applications should be sent to the Secretary, Department of Law, University of Glasgow, Glasgow G1 1RU.

### LECTURESHIP IN MEDIEVAL ARCHAEOLOGY

The University of Cambridge is seeking applications for a Lectureship in Medieval Archaeology. The successful candidate will be responsible for the teaching of medieval archaeology to students in the Faculty of Archaeology. The salary is £10,000 per annum.

Applications should be sent to the Secretary, Department of Archaeology, University of Cambridge, Cambridge CB2 3RQ.

### LECTURESHIP IN FILM STUDIES

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The University of Manchester is seeking applications for a Lectureship in the History of the United States. The successful candidate will be responsible for the teaching of the history of the United States to students in the Faculty of History. The salary is £10,000 per annum.

Applications should be sent to the Secretary, Department of History, University of Manchester, Manchester M13 9PL.

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## OVERSEAS

# Israel plans to boycott Geneva peace talks if PLO is also invited

From Moshe Barzani

Tel Aviv, Jan 4

Israel today served notice that it will boycott the Geneva peace negotiations and the Middle East debate in the United Nations Security Council opening on January 12 if the Palestine Liberation Organisation (PLO) is invited to participate.

The announcement was made in Jerusalem after a Cabinet discussion on directives to Mr Yigal Alon, the Foreign Minister, who is going to the United States this week for consultations with Washington officials in connection with the Security Council debate.

The Cabinet stated that any changes in previous Security Council resolutions, which form the basis for the Geneva peace talks, would disrupt moves to negotiate a secure and lasting peace. It expressed confidence that the United States will thwart the attempts in accordance with its undertakings.

Mr Rabin, the Prime Minister, said the Security Council session could adopt far-reaching decisions that will block all prospects of peace and cause an escalation of violence and further bloodshed.

He said, must deploy to meet this situation.

"We have sufficient military power to give military backing to our freedom of political manoeuvre," he stated.

Addressing the General Council of the World Zionist Organization in Jerusalem, Mr Rabin said the immediate Arab aims were to get an imposed solution by getting Security Council adjudication instead of negotiations between the parties.

Our Cairo Correspondent writes:

The Cabinet also made clear that Israel regarded the Geneva conference called by Dr Waldheim, the Secretary-General of the United Nations, as the only forum for operative discussions.

The question of PLO supporters standing for office in municipal elections in the occupied areas scheduled for April 12 also came up in the Cabinet.

Mr Peres, the Defence Minister, said: "We do not examine the views of the inhabitants of the areas in political matters. The elections are free and we do not intervene concerning lists of candidates."

He added, however: "Obviously we enforce the law."

about persons exposed as members of hostile organizations, especially the PLO."

Egypt has begun an extensive diplomatic campaign to gain world support for the Palestine issue in the United Nations Security Council debate tomorrow.

Mr Sami Fakhri, the Foreign Minister, has held several meetings with various envoys including Mr Herman Eilvi, the United States Ambassador.

Official sources said that Cairo was also in permanent contact with other Arab governments to coordinate strategy during the debate in which the Palestine Liberation Organisation would take part.

The Cairo weekly political magazine *Rose al-Yusuf* today said that Mr Fakhri had asked the Soviet Union to restore diplomatic relations.

Together with other East European countries, except Romania, the Soviet Union had severed diplomatic links with Israel after the 1967 Arab-Israeli war.

*Rose al-Yusuf* reported that the Israeli approach to Moscow had been made during a recent secret meeting in Switzerland between Mr Yigal Alon, the Israeli Foreign Minister, and a senior Soviet official.

The Soviet official had outlined the conditions for restoring links: Israel should recognize the PLO as the sole representative of the Palestinian people; it should agree to the holding of the Geneva Middle East peace conference and take part in the Security Council debate on Palestine; it should also stop setting up settlements in occupied Arab territories and should announce this officially.

In return, the magazine went on, the Soviet Union had pledged to make the PLO recognize the United Nations resolution on the Middle East conflict and agree to the holding of a dialogue with Israel.

Mr Alon was said to have promised the Soviet official to convey these conditions to his government.

The Israeli Foreign Ministry spokesman denied the Egyptian press report that Mr Alon had secretly met a Soviet official to discuss peace negotiations. "Absolute nonsense, there is no truth in it," he said.

—Reuter.



Pro-Concorde: Mr Kaufman of the Department of Industry in Britain.

Decision man: Mr Coleman, the United States Secretary of Transportation.

Anti-Concorde: Mr Wiggs, member of a British group of opponents.

## Fateful hearing begins on Concorde's future

From Patrick Brogan

Washington, Jan 4

The fate of Concorde will be decided tomorrow in a day-long hearing in a vast and gilded auditorium in Washington.

Mr William Coleman, the Secretary of Transportation, will preside as witnesses state their cases for and against the aircraft.

Mr Coleman is the public official who decides whether Concorde may use federal airports.

This means Dulles International, near Washington, British Airways and Air France each want to fly one Concorde into Dulles every day, and both also want to fly twice a day into Kennedy airport, New York.

These two routes, from Paris and London into Washington and New York—particularly the latter—are far the most important to Concorde's future.

If it stands any hope at all of making a profit, it is across the North Atlantic.

The New York Port Authority will decide whether the two airlines may use Concorde into Kennedy. There is fierce opposition in New York to the aircraft on various grounds; and while it remains most probable, though not certain, that the port authority would follow Mr Coleman's example if he permitted Concorde to use Dulles, it is quite certain that if he rejects the application for a permit for Washington, the port authority will never allow it to fly to New York.

Mr Coleman has promised that he will give his verdict within 30 days. He will hear the technical, economic, environmental and safety arguments tomorrow. He has already heard, and will continue to hear, the political arguments from the State Department and the White House, which both support Concorde.

He says, however, that he will reach the decision himself without outside interference.

The British and French governments, the airlines and the manufacturers have sent over large delegations to give their views to the Secretary of State.

Mr Gerald Kaufman, Minister of State at the Department of Industry, and the French have

sent M Claude Abraham, of the Department of Transport.

Three British and Concorde groups have sent witnesses. They are the Heathrow Association for the Control of Aircraft Noise, represented by the Bishop of Kingston upon Thames, the Right Rev Hugh Montefiore, the Anti-Concorde Project, represented by its secretary, Mr Richard Wiggs, and the Conservation Society, represented by Mr Andrew Wilson, of *The Observer*.

They will join forces with a number of American environmental groups, which oppose Concorde because of its noise and alleged dangers to the Earth's ozone layer.

The Environmental Defence Fund (EDF) is presenting the global view of the anti-Concorde case, and local societies are attacking its effects on New York and upon northern Virginia and Maryland.

Senator Barry Goldwater will speak in favour of Concorde, and Senator James Buckley, of New York, will speak against it. They are both strong Conservatives, and usually see eye to eye on most matters.

Mr Coleman's New York will speak against Concorde, and one will defend it.

Experts from various branches of the Federal Government will give evidence. Among them will be Mr Roger Stralow, assistant administrator of the Environmental Protection Agency (EPA). He is expected to be highly critical of Concorde.

The EPA issued a statement last month attacking the aircraft for its noise and pollution, and describing in graphic detail the effect and extent of its use of Dulles and Kennedy.

Concorde supporters have accused the agency of being dishonest in its use of data.

Mr Kaufman has remarked that Concorde is a sizzling duck for the environmental lobby, and it is true that the EPA has been very successful in curbing the pollution caused by motor cars and industry in the United States.

The debate here is on three levels, economic, political and technical. The first was summed up in a headline in today's *Washington Star*: "Harbinger of the future, or world's swiftest white elephant?"

Most of Concorde's opponents here admit that the economics of Concorde are nothing to do with them; they say that if the British and French governments wish to spend their money in this way, it is not for Americans to complain.

However, American airlines are nervous about Concorde. Having decided not to buy it themselves, they fear that Air France and British Airways will skim off the best of first-class transatlantic air traffic.

The president of Pan American Airways has said that PanAm and TWA between them might lose \$50m (about £15m) of business a year.

The airlines will claim that the two governments are subsidizing their own nation's airlines and that the competition is, therefore, unfair. The British and French will, of course, reply that every government in the world, including the American, subsidizes national airlines in some way.

On a political level, the American Government is acutely aware of the harm to Anglo-American relations which would result if Mr Coleman decided to kill off Concorde. Officials' memories may not go as far back as Comet, but the Skybolt affair is a vivid memory.

Dr Kissinger, now secretary of state, wrote to President Nixon at the time, Mr Heath, in 1973, assuring them of his favourable disposition towards Concorde and describing its determination to give it a fair chance.

The main argument tomorrow will be on technical matters: whether Concorde is too noisy to be permitted to land in New York and Washington, and whether it will damage the ozone layer. Many observers here wonder why Mr Coleman should have thought it necessary to hold public hearings on these issues, as the volume of data available is enormous and technical. The first was summed up in a headline in today's *Washington Star*: "Harbinger of the future, or world's swiftest white elephant?"

Perhaps he wishes the debate to be so public that no one could then accuse him of having

rammed Concorde down America's throat, or of having destroyed it, after secret consultations.

Concorde's detractors say that it is noisier than other jets by a very wide margin, that the quality of its noise—a very low rumble—makes it more painful to humans and more dangerous to buildings, and that the noise will spread much further than the noise of other aircraft.

Concorde's supporters say that the exact opposite is the case on every one of these points.

Opponents say that it is not safe, because it is "very fuel critical". This means that, with a full load of passengers, its reserves of fuel are near the safety levels, and special procedures will have to be used to get it across the Atlantic.

Among them would be special arrangements to enable it to land the queue at Kennedy and land as soon as it arrives, instead of going round in circles, as many jets do for an hour or more.

Another safety consideration advanced against Concorde by its opponents concerns what would happen if there were a cabin failure. Concorde could cruise at 65,000ft, at twice the speed of sound. If a window blew out, it would have to come down to 25,000ft in three minutes and passengers would be in a poor condition by then through lack of oxygen.

Options are deeply divided on the ozone layer question. Concorde's makers, who once claimed that they could sell 200 of the aircraft, now say that nine of them will make no difference at all to the ozone levels.

Mr Kaufman prefers to concentrate on the argument that if Americans are concerned about ozone, they should turn aerosol, which do far more damage.

Albany, New York, Jan 4.—Mr Hugh L. Carey, the Governor of New York State, told government officials today that permission must be denied for Concorde passenger flights into New York City. He said the flights posed critical noise, safety and pollution problems.

—UPI.

## Chile bans press using 'Pinochet resign' reports

Santiago, Jan 4.—The military government has prohibited the publication in Chile of reports that a group of generals are demanding the resignation of President Pinochet.

The reports, published in Britain today, were distributed by news agencies to press and broadcasting organisations and said that a group of generals are demanding the resignation of President Pinochet.

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## Anniversaries in 1976

## The year of Constable, Adenauer and Casals

1176 The assize of Northampton  
1776 Alexander Selkirk, Scottish sailor, prototype of Robinson Crusoe, born 1876  
Adventures of Tom Sawyer, by Mark Twain, published

**JANUARY**  
5 Konrad Adenauer, Chancellor of Western Germany, 1949-63, born 1876  
8 Common Sense, by Thomas Paine, published, 1776  
10 Albert Mansbridge, founder of the Workers' Educational Association, born 1876  
12 Jack London, American writer, born 1876  
Ermano Wolf-Ferrari, Italian composer, born 1876  
14 Francesco Cavalli, Italian composer, died 1776  
19 Hans Sachs, German poet, dramatist and master singer, died 1576  
24 Ernst Theodor Hoffmann, German writer, composer and caricaturist, born 1876

**FEBRUARY**  
Sir Muhammad Iqbal, Urdu philosopher and poet, born 1876  
1 John Forster, biographer and journalist, died 1876  
2 Francis Hayman, painter, died 1776  
6 Henry George Bly, co-writer of Gulliver's Travels, 1809-47, born 1876  
10 Johan August Söderman, Swedish composer, died 1876  
16 George Macaulay Trevelyan, historian, born 1876  
17 Publication of the first volume of Gibbon's Decline and Fall of the Roman Empire, 1776  
28 John A. Carpenter, American composer, born 1876

**MARCH**  
2 Eugenio Pacelli, Pope Pius XII 1939-58, born 1876

9 The Wealth of Nations by Adam Smith, published 1776  
20 The civil war ended in Spain with the entry of King Alfonso XII into Madrid, 1876  
22 Anne Clifford, Countess of Desmond, died 1576  
23 Sir Michael Bane, water-colour painter, born 1876  
24 John Harrison, horologist, died 1776  
29 The Hunting of the Snark, by Lewis Carroll, published, 1876

**APRIL**  
British Women's Temperance Union formed, 1876  
13 James Burbage began work on "The Theatre" at Finsbury Fields, London—the first building intended for theatrical performances, 1576  
17 "Jane Eyre" (John Hay) written, born 1876  
19 Samuel Sebastian Wesley, composer and organist, died 1876  
29 Michel de Ruyter, Dutch admiral, died 1676

**MAY**  
The Prime Minister, by Anthony Trollope, published 1876  
7 Samuel Courtauld, industrialist and art patron, born 1876  
24 Elizabeth Kingsley, novelist, died, 1876  
27 Paul Gerhardt, German poet, died, 1676

**JUNE**  
8 Edward, the Black Prince, died, 1376  
"George Sand", French writer, died, 1876  
11 John Constable, painter, born, 1776  
Lawrence J. L. Dumas, 2nd Marquess of Zeland, Governor of Bengal, 1916-1922, born, 1876

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**Landscapes with figures: Adenauer and Casals in Constable country.**

The press and television pay much attention to "natural disasters". This is hardly surprising, since major calamities such as earthquakes, cyclones, floods, fires and so on occur regularly. Since the dawn of history, mankind has sought to dominate nature, and particularly in the past century vast progress has been made to curb or minimize the effects of the forces of nature both by prevention (dikes, canals, fire control measures, etc.) and by early warning (cyclones, earthquakes, etc.). The failure to invest has been constant—therefore it cannot be due to wicked socialist policies. It certainly cannot be said to be due now to lack of funds, for there are plenty of funds around in industry and the banking system. Furthermore the proportion of personal incomes which are being saved has soared to 14 per cent, and even the public sector, which has been hit by the recession, has managed to save more than 20 per cent.

The argument about talent is as faulty as the argument about cash. Posts at the higher salary level in the public sector, including local authorities, have been filled almost entirely by promotion, and it is only much lower down that appreciable numbers of new people have been taken on. The private sector has fished scarcely any top management from productive industry. Management is really at its old game of blaming everyone else—chiefly the Government and the unions—for its own glaring shortcomings. The truth of the matter is that what British industry is suffering from more than anything else is a lack of management. Management, which, as I began by saying, is notorious throughout the world. The most dangerous thing about even management's failure is that it is not obvious. It is not obvious that the Government's policy is perpetuating the country's impoverishment. This analysis contains, as I said earlier, some truth. But the most valid feature of it has been taken up already into government policy. The reason why, although there are going to be no panic cuts in public expenditure this winter, the Government is planning cuts for each of the two subsequent years is that the expected upturn in the economy gets under way the financial and human resources necessary for the expansion of industry will be released by the public sector. As for the Chancellor of the Exchequer said in *The Sunday Times* on December 14: "Company profits fell too low last year in Britain, as in many other countries. We must accept that our industrial strategy will not work unless profits can rise." So allowing profits to rise is declared government policy—though England expects that these increased profits will go into increased investment and not the pockets of shareholders.

The trouble with management's alibi is that it leaves too much out of account. The fact that German industry invests 30 per cent more per worker than ours in spite of a lower rate of post-tax profitability knocks the bottom out of the argument that the Labour Government's taxes are responsible for inadequate investment. The Heath government offered private industry an unprecedented range of subsidies, grants, rebates and other direct inducements to invest, and became increasingly non-plussed at the continuing lack of response. Income tax was reduced in favour of the better off, but that did not have the desired effect either.

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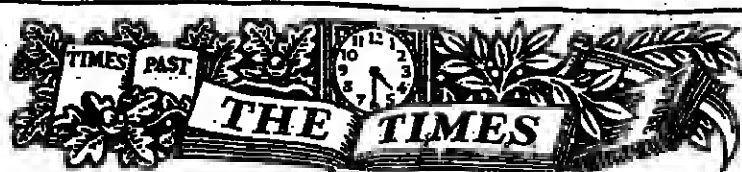
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## AFRICAN RESPONSIBILITIES

The Organization of African Unity meeting on Angola later this week must decide whether it should continue its policy of recognizing all three liberation movements as heirs to Angolan independence, or whether it should give the accolade to the Popular Movement (the MPLA) which some dozen African states have followed Russia in recognizing as the legitimate government. The OAU is supposed to be the guardian of Africa's interests in general. It is supposed, on any question involving a single state or territory, also to ask what is in the best interests of Africa. Hitherto it has stuck to the judgment that Angola is an African problem for Africans to solve, not an "interest" in the power game of the superpowers. As a general proposition that seems undeniable. But Angola has become a super power interest none the less. The OAU is not in a position to stop it.

In reaching its decision the OAU will be choosing between one form of outside intervention and another, not between African contenders. If its decision leads all its members to recognize MPLA as legitimate, it will have served notice on Africans that the Russian line prevails, that Russian involvement must be condoned, that the MPLA is entitled to demand world recognition as a government putting

down rebels, all aid to whom becomes an unfriendly act. Russia, many Africans will conclude, is unstoppable. On the other hand, if the OAU sticks to its present line, it will be in trouble with the left-wing regimes for condoning the intervention of the white South Africans and American imperialism and risks splitting Angola's territorial unity, which is essential to the OAU's own charter.

From Africa's point of view, the intervention that is most easily sent packing later, and has less grip, would seem the lesser evil. Africa's leaders will thus have to weigh up whether the MPLA will find it so easy to outsmart any Russian ambitions to dominate them, and to stay as a permanent factor in African affairs, or whether entrenching the South Africans and promoting American influence is a real risk if the MPLA is rebuffed.

African independence has never conferred on African states the same ability to lean West or East in accordance with local interests, and always without getting unduly subservient to superpower politics. The ex-colonial African states were mostly smaller and weaker than the Asian states—more dependent on their former rulers (and then on the EEC) for economic help. The real difference between the African and Asian experience, however, has been the presence of the white racial régimes, to whose ultimate overthrow African politics must be dedicated. Because these régimes

could fight and resist decolonization, the Western and Communist powers have had a series of strategic interests to pursue in successive African crises, and neutralization of the whole continent has never come about. The Africans themselves have become clients. They have never been able to shape events their way.

Now they find themselves choosing whether to settle the Angola quarrel, tribal-cum-ideological, in either the Russian way, and in Russia's interest, or the Western way, just as they had to choose between competing outside interests in shaping the Congo settlement. The OAU has grown in size, but has not become a power, or coordinator of power, to solve African problems in the long term African interest. If the allegations of Russian bribes to get decisions in favour of the MPLA are true, they will show just how determined the Russians are to solve Africa's problems in their own way, rather than in a way that independent decisions by African leaders would naturally prescribe. Moreover, if Russian aid to the MPLA is simply normal support of the only liberation movement fighting racialists, why was a bribe necessary?

It cannot be in Africa's interest to have its political problems solved by foreigners, its wars decided by foreign arms, its racial struggle taken over as a position to be won for a greater revolutionary purpose. It makes nonsense of the doctrine of pan-Africanism, it makes Africa an ideological colony.

## Railways into busways

From Sir Peter Masefield.  
Sir, Professor Peter Hall's and Mr. Edward Smith's suggestions for converting to busways "the whole BR network" to achieve "a better public service at a fraction of the cost" must surely take the award of the Transport Biscuit for this Year.

There may be some railway track which might be turned, usefully and profitably, into segregated busways—chiefly where a demand exists for a relatively high frequency of service combined with a relatively low density of traffic. In general, however, once a track is devoted exclusively to a particular type of vehicle, then as demand increases and as additional capacity is required—invariably one finds that, to satisfy the demand, the solution is once again to invent the railway.

The matter must be judged, of course, not only on capacity and on cost but also in terms of consumption of energy, congestion, pollution, service to the public and suitability for the job.

Whatever the theoretical comparison between BR and a hypothetical new busway, the fact is that—on routes of any substantial density and distance—a railway is inherently cheaper and faster than a busway.

Practical statistics from one suburban operator of bus and rail services are published each year and make the point. London Transport operates annually virtually the same number of passenger miles by bus and by train, albeit over about distances. Experience shows that for one exclusive track or buslane (with passing lane at each end) the sustained practical transport capacity is some 120 buses an hour at 600 yard spacings carrying up to 8,400 passengers an hour. That compares with a one track capacity of some 20,000 passengers an hour by rail, seven-coach train has a practical capacity of about 65 million passenger place miles per annum and requires about 43 operating and maintenance staff. The same annual output is achieved by 24 buses which require, on average, 134 staff. Once the track is provided in each case the working expenses of each passenger-mile by rail are about 70 per cent less than are those by road. Within the same organization these figures are directly comparable.

On energy consumption the BR electric intercity train achieves some 295 capacity ton miles per million BTUs compared with about 100 for the intercity road coach. To be fair, the higher achieved load factor of the coach gives it a better load/energy ratio in service than the train (about 23 against 13 ton miles per gallon) but at half the journey speed.

Electric rail traction can—and should—become steadily less dependent upon oil as other forms of electricity generation are brought on stream. With all the latent promise of sodium-sulphur batteries for buses (liquid hydrogen is hardly suitable) many years must pass before road transport becomes other than wholly dependent upon fossil fuels.

The fact remains that each form of transport has its particular part to play. For passenger journeys public road services are clearly the most convenient and suitable for short distances, and high frequencies in urban areas and over longer distances, for relatively low densities of traffic at modest speeds. Rail services are unrivalled for high density, high peak, suburban services (overground and underground) and for long distance, heavy and about 350 miles, rail transport increasingly comes into the picture.

The lesson is that, if there were only electric rail, or only diesel road, services today, the invention of the other would be hailed as finding an important gap in the transport spectrum. Each can be made cheaper and better adapted to its particular role. Both are needed in the public service.

Yours faithfully,  
PETER MASEFIELD.  
Rosehill,  
Dodd's Way,  
Reigate,  
Surrey.  
January 2.

## Deported from S Africa

From the Head Master of Lancing College.  
Sir, Young sixth formers are rightly encouraged to give of their talents to serve the community before entering university. One such young man, a Christian seeking his vocation, left Lancing last July and spent three months raising money to pay for his air fare to South Africa so that he could serve in the work and worship of the Church in Namibia.

He was to have helped in the Diocesan office, live in a Christian community and teach "O" level mathematics and English. Before he left England the South African Embassy in London assured him that he could enter South Africa.

On arrival at Cape Town on December 13 he was refused entry into South Africa and escorted by security police to be placed on the first plane to London. No reasons were given, but he was handed a Prohibition Notice signed on behalf of the Secretary for the Interior of South Africa. His original air ticket was replaced by one dated December 11, which might suggest that his exit from South Africa was planned before his arrival.

I can vouch that this young man was not involved in politics, spent his spare time since leaving school raising money for his air fare, and he has lost his money, been deported from a country for doing nothing, and, as far as one can tell at the moment, received little or no support from his own country. At least, I believe, his faith in Christ is strengthened.

Yours faithfully,  
IAN BEER,  
Lancing College,  
Sussex.  
December 24.

## LETTERS TO THE EDITOR

## Replacement of listed buildings

From the President of the Royal Institute of British Architects.

Sir, I have followed, with some concern, the correspondence about the replacement of listed buildings. I do not write to express any opinion on the particular case that has aroused this controversy. I want simply to suggest that underlying much of what has been said is a profound anxiety to which I hope the Secretary of State will give his attention. This concerns the notion that planning authorities should not have regard to the quality of replacement when considering a situation where a listed building and a development proposal are in conflict.

We must all be gratified that the statutory lists of good buildings are being taken seriously, but it must be remembered that they carry no absolute right to preservation. They do provide a comprehensive and catholic guide to quality in our stock of existing buildings and as such they could with intelligent and sensitive use be a valuable influence on the process of change. In some cases the benefit of retaining fine works of art will be overwhelming, and their retention demands that the scale and characteristics of new buildings in their neighbourhood

ought to be carefully considered. In other cases the retention of existing buildings may for a number of reasons impede some otherwise desirable changes and where the balance of benefit may be very difficult to assess.

There will be other cases where the architectural quality of a listed building is not high but because of its position or social associations its retention can be of supreme importance. And so on—the problems that arise from our concern for the co-existence of past and present in the urban scene are a challenge we cannot ignore. Our towns and cities cannot be put into deep freeze. Change is a vital process.

At present, listed building control is concerned with the merits of listed buildings; development control is concerned with the merits of proposed development. I would suggest that the Secretary of State should satisfy himself whether the existing procedures allow these controls to influence each other in the interests of achieving the most acceptable quality of architecture overall, old and new together.

Yours faithfully,  
ERIC LYONS, President, Royal Institute of British Architects,  
66 Portland Place, W1,  
January 2.

## Intervention in Angola

From Mr Patrick Wall, Conservative MP for Haltemprice.

Sir, Father Hastings' neo Marxist apology for the MPLA in Angola must really be answered as it is shot through with inaccuracies. As one who has visited Angola on a number of occasions in the past fifteen years I can tell him that the dominant factor in that country, as indeed in most of Africa, is not ideology but tribalism. As he says, the FNLA are an Bakongo movement but he omits to say that UNITA instead of being what he calls "a small almost insignificant movement" is based on the large Ovimbundu tribe which occupies the southern part of Angola and it is the only one of the three "liberation movements" that has not been foreign based and has always fought inside Angola.

The MPLA were formed in 1956, five years after the FNLA (then called the UPA). Their first action was to cause a riot in Luanda in 1961, but this was easily suppressed. A short time later the FNLA invaded from the Congo and the Bakongo rose to the North. In 1965 the MPLA attacked the small Cabinda enclave, but even failed in this attempt and later transferred their attentions to south east Angola where they were equally unsuccessful. They have always been

a party of the intellectuals rather than of the people, which is why they were strong in Luanda, but have had no real tribal base.

Dr Savimbi's UNITA had undoubtedly gained much ground in the present "guerre de course" helped possibly by South African armoured cars and American money. A glance at the map would, however, show that they could not have advanced so fast unless they enjoyed great popular support which, in my experience, is not given to the MPLA except in the area of the capital and the universities.

The MPLA have been enabled to return to the offensive by Cuban regular troops and Soviet arms. Why? Because it has been a main Soviet strategic aim to detach Southern Africa from the Western orbit as this area not only controls the vital oil route from the Middle East but contains the free world's reserves of gold and uranium.

Each of the three movements that the quicker the MPLA wins, the fewer people will be killed, was also applied to Hitler at the time of the appeasement over Czechoslovakia. Angola could yet prove no exact parallel.

Yours faithfully,  
PATRICK WALL,  
House of Commons.  
December 31.

## Birth of the Philharmonia

From Mr T. Ernest Bean.

Sir, In his history (December 27) of the founding of the Philharmonia Orchestra—and let me say at once that no one with any musical sensibility would dream of denying him credit for that glorious achievement—Mr Walter Legge makes a number of judgments which his friends in the operatic and concert worlds will find it difficult to reconcile.

He says, for instance, speaking of the party he assumes me to have played in the phoning of the Festival Hall programme, that my aim was to "dictate each conductor's programmes", in pursuit of which aim I was capable of devising programmes so unattractive that any conductor worth his salt would be bound to reject them out of hand.

And then, at the height of the argument, he makes the wholly uncharacteristic confession that having been warned that the Hall would not be available unless he accepted this "unwarrantable intrusion", he (and presumably Klemperer, Giulini, Solti, Szell, etc) was obliged to give way!

What a tangled skein of fact and fiction! At none of the programme sessions I was privileged to attend at Mr Legge's home—sessions noted in my memory for their concord and order, and I, or anyone else, dictate what his conductors should

conduct; nor did he show any signs of buckling under to such a cross form of blackmail! And it has been exercised, I am sure, if it can be so called, was limited to the elimination by mutual consent of the more glaring programme clashes and repetitions which occur when five orchestras compete for adjacent dates in the Festival Hall; an "interference" which had the full support of all the London orchestras with the exception, it would seem, of the Philharmonia.

If I needed corroboration of the truth of my remembrance of these past, I need look no further than the closing paragraph of Mr Legge's article, where, "looking through the programmes of these years", he expresses his unalloyed pride in having given London a golden age of musical performance which may never be surpassed. "Not surpassed, perhaps, but many times equalled in the performances of other London orchestras in the post-Legge period."

One sentence in Mr Legge's confessional interested me particularly as it provided a key to an understanding of his present discontent: "... a great performance of a masterpiece has always been more important to me than the world premiere of a novel." P. Audiocopy by and large will no doubt share his view (as, for my sins, do I). But that should not take away from the London orchestras the responsibility of remembering that when the Eroica received its world premiere it was a novelty.

Yours etc,  
T. ERNEST BEAN,  
5 Picholine Court,  
Dorking.

## Rules for a referendum

From Mr Hugh Dykes, Conservative MP for Harrow East.

Sir, Philip Goodhart's enthusiasm for a referendum (*The Times*, December 28) seems unfortunately to have carried him beyond the bounds of common sense in the matter of direct elections to the European Parliament.

As the Government has said clearly in the House of Commons, direct elections are a Community Treaty obligation; and it would surely try the patience of our allies to breaking point if we were to vote on whether to honour part of a treaty a year or so after we had voted in favour of honouring the treaty as a whole.

Yours faithfully,  
HUGH DYKES, Secretary,  
Conservative European Affairs Committee,  
House of Commons.  
December 23.

## Wanting that job

From Mr Kenneth Tynan.

Sir, I notice that Lord Thomson is quoted in your pages (January 2) as having said in a magazine interview:

"In Canada everyone is looking at me and saying 'I want that bastard's job'. Well, they are not going to get it. But I like them to try to get it. Over here I don't think anyone says that high. They don't have that ambition and it's wrong."

He attributes this state of uncomprehensive inertia to a "surfeit of socialism".

Lord Thomson's remarks betray a certain unfamiliarity with the contemporary political scene, and I

believe I am in a position to cheer him up. Let me assure him that, as the unemployment figures continue to rise, there are many thousands of workless people in this country who are looking at their working compatriots and saying, as bitterly and competitively as Lord Thomson could wish: "I want that bastard's job". And this admirable state of affairs has been achieved under a Labour Government, which must indicate that Socialism has more to be said for it than Lord Thomson supposes.

Yours sincerely,  
KENNETH TYNAN,  
20 Thurloe Square, SW7.  
January 2.

## Art and all that jazz

From Mr Bernard Myers.

Sir, Mr Hugh Jenkins is quite capable of answering Mr Hugh Leggett's querulous little question (letters, December 31) himself; but it seems to me that a man who spends his money at Ronnie Scott's is at least helping to keep the thing art of jazz music alive, whereas a man who spends his money on old paintings in Mr Leggett's shop is doing nothing to further the arts whatsoever.

The Donatello plaque is not part of our National Heritage but belongs to all men. If it has a rightful home one supposes that to be in its country of origin. But if Mr Roy Strong wishes to buy it for the Victoria and Albert Museum then I suggest that he raises the money by printing replicas of it for sale as souvenir ash trays.

Yours faithfully,  
BERNARD MYERS,  
50 Scarsdale Villas, W3.

## Christian names in 1975

From Mrs M. Brown.  
Sir, It is my pleasure to send you the annual analysis of Christian names, as announced in *The Times* during 1975.

First names first. As to 1974, James and Sarah take the lead:

James (1)	116	Sarah (1)	45
Thomas (2)	73	Emma (3)	39
Nicholas (4)	65	Alexandra (4)	37
Alexander (5)	58	Rebecca (16)	33
Charles (3)	52	Emily (7)	32
Benjamin (10)	51	Katherine (10)	30
Andrew (19)	44	Lucy (2)	20
William (6)	43	Victoria (10)	28
Richard (8)	42	Elizabeth (7)	26
Edward (7)	40	Joanna (23)	25

(The figures in parentheses indicate the place held in 1974.)  
The boys' table remains largely unchanged, except that Andrew replaced Jonathan. On the other hand, there was a considerable turn around among the girls' names, with Alexandra, Elizabeth, Joanna and Rebecca taking over from Anna, Charlotte, Helen and Sophie.

A noticeable feature of 1975, was the increasing range of classical names selected for girls. The reasonably familiar Laura, Olivia and Camilla maintained their popularity. In addition, a spate of less common classical names, including Chloe, Corinna, Flavia, Gracia, Lydia, Letitia, Phoebe, Sylvia, Xanthe and Zoe were recorded.

Turning to the overall pattern of parental names' choice in 1975, James remained the favourite for boys for the twelfth year in succession, while Jane just succeeded in snatching first place among the girls from Louise and Elizabeth:

James (1)	223	Louise (1)	107
Alexander (3)	135	Elizabeth (3)	104
Charles (5)	105	Mary (4)	94
John (2)	104	Sarah (5)	67
William (4)	101	Clare (10)	58
Nicholas (3)	89	Alexandra (12)	53
Edward (6)	84	Emma (12)	49
Thomas (7)	83	Lucy (6)	49
Richard (8)	75	Victoria (7)	48
David (11)	69		
Janet (1)	108		

The list of boys' names remains much the same as last year, with David replacing Robert. Among the girls, Alexandra and Emma were more popular than Claire and Catherine. Two names which made headway in 1975 were Oliver for boys and Kate for girls.

An analysis of the figures for 1975 shows that there were 4,277 births announced in *The Times* (2,235 boys and 2,042 girls). This compares with 4,832 in 1974, no doubt reflecting a declining birth-rate. The following summary shows the distribution of names:

One	Two	Three	Four	Five	Totals
823	544	533	374	19	2,273
874	544	533	374	19	2,273

The number of twins recorded in 1975 was 52 (as against 57 in 1974), of which 21 sets were boys, 17 girls and 14 were mixed. There was one announcement of the birth of triplets (one boy, two girls).

The adoptions once again totalled 49, of which 31 were boys and 18 girls, (as against 25 boys and 24 girls in 1974).

Yours faithfully,  
MARGARET BROWN,  
7 Foxthorn Paddock,  
Badger Hill,  
York.  
January 1.

## Despite the gloom

From Mr Melvyn Bragg.

Sir, This time last year I wrote you a letter which predicted that despite the consistently gloomy forecasts of well informed commentators—Parliament would not collapse, Britain would not become a banana republic and there would not be observations seemed to me at the time like a cry of complacency but that despite distresses and some failures 1975 has been and gone and here we all are.

Apart from the obvious truth that some of our trouble comes from our present addiction to self-flagellation, what value can we place on the writing of those political, economic or merely universal commentators who were so regularly wrong? We could regard their work as a new genre of fiction—though the plots are too predictable, the characters too lacking in sympathy to engage us for long. We could ignore them—but that would be foolish, as they are expert and we want to know what they know.

Perhaps the best solution would be to grade them. Every year end a mark could be awarded for accuracy and this mark appended to every by-line for the following year, so that we would know of Mr So-and-so's economic competence, minus 40 per cent, etc. As a guide to the writer and a guide to the reader I think it could not be bettered.

Yours sincerely,  
MELVYN BRAGG,  
9 Gayton Road, NW3.  
December 30.

## Paying around

From Dr A. D. Walker.

Sir, January is the time for reporting. It is also the time for paying bills. Payments on bills and in 1976 to start out the present year with a clean slate.

At this time of year I pay my Water rates to Hatfield (Herts) Council rates to Saffron Walden (Essex).  
Electricity a bit to Ipswich.  
Telephone a bit to Cambridge.  
Income Tax to Bishops Cleeve (Essex).  
Road Tax to Chelmsford (Essex).  
Is this a record?  
Yours faithfully,  
A. D. WALKER,  
Chelmsford.  
January 1.

## David Wood

## The Shadow Cabinet plays for time

One of the important lessons taught, rather reitantly, by the years 1974 and 1975 was how secure and obdurate a minority government could be. By next month, Mr Wilson will have been in power again for 10 full years without making any concessions to the combined Opposition majority that faces him in the Commons, and, by the device of forming an extra-parliamentary alliance with members of the TUC, about becoming the puppet of the fit in the Parliamentary Labour Party or the national executive committee.

Furze Bills have flooded rough Parliament, with only a few tides and delays. Mr Wilson looks safe that any Opposition politician has to reckon with the possibility that he will be able to a full parliamentary term, if it should suit his book. "Harold," says, "will have to be ill or exhausted before he surrenders the boon of being Prime Minister the Queen's jubilee in June, 1977, the chance of winning a general election to the following October." Short Mr Wilson, though oratorically hopelessly outwitted in every Commons division, far keeps a grasp of a Prime Minister's most precious prize: the ice of the next election date. (Meanwhile, Opposition frustration eases, and the new year opens with a determination to sharpen party conflict in and outside Parliament. The reasons are plain: Mrs Thatcher, the new or, is now unchallengeably blished, with no questioning of position or her quality. She is

now free both to choose a front bench team to her liking, matching the strongest available men to the jobs, and to stamp herself on the Conservative Opposition's policies and style. Secondly, if she cannot hope to beat Mr Wilson yet in the Commons, and bring him down there, a series of by-elections provisionally planned for March on the new register, provide her with the occasion for damaging the Government's morale, and perhaps bedevilling the Government's programme.

The by-elections are caused by the death of Mr Maurice Bellingham, Conservative MP for West (majority 7,488) the move to the House of Lords by Mr Robert Carr, Sutton, Caversham (Con majority 3,698); and the expected retirement of the Speaker, Mr Selwyn Lloyd, Wirral (Con majority 13,488). There are also two Labour MPs in ill health who may soon retire.

It would be psychologically significant if in these or any other by-elections this spring and summer, Mrs Thatcher could show that under her leadership Labour support is fast ebbing, and that the Liberal challenge fades. But the main triumph would be a Conservative victory over Labour in only one by-election.

That would remove the Government's majority over the Conservatives and thereby deny Labour an automatic majority in all select and standing committees, large and small. As a consequence, the Government would not be able to risk sending controversial Bills into a committee stage upstairs for fear that they would be wrecked, or that more time would be needed for reports in full House.

In that case the Government would forfeit, in part, its control over the parliamentary timetable. And a narrower limit would be set to what the Government could do, however long it stayed in office. As the months passed, the sense of frustration would transfer from the Opposition to the Government, and as in 1950-51, the Labour rank and file would lose heart and almost prefer the emancipation of Opposition to the impotence of office.

Outside Westminster there is little understanding of the importance of parliamentary time as a government's or an opposition's main weapon. When was a government last brought down by losing a Bill? Or by vote of censure? No, they are worn down by obstruction. One of the difficulties Mrs Thatcher and her party must have in justifying themselves to their rank and file outside Westminster has to do with the comfortable majorities the Labour Government commands in successive divisions at a time when its technical majority over the Conservatives is one vote.

Nor will any serious cut those majorities until Liberals, Ulster Unionists, Scottish National Party, and Plaid Cymru make common cause with the Conservatives; and make common cause not only on a particular Bill or question but also on the reality of advantage in forcing a general election.

At the beginning of 1976 Conservative leaders face the parliamentary realities. Liberals and Ulster Unionists are not yet ready to join forces with them in precipitating a general election, and the SNP, though its scents a great victory at the polls, may well prefer to let devolution develop as a national controversy and serve as its recruiting sergeant. Conservative tactics for the present must be what they were in 1974, and 1975: making the Government's life difficult, though not impossible, until a run of by-election successes warns Mr Wilson that the longer he stays, the more catastrophic his electoral disaster may eventually be.

But even that Conservative prospect leaves fundamental questions unanswered. What kind of alternative government must Conservative leaders prefigure in Opposition? They have to support Labour's counter-inflation policies wherever they succeed; they dare not oppose Labour's monetary and fiscal policy, full employment with back-bench Labour cannot join in fighting public expenditure cuts. There lies the dilemma that Mrs Thatcher and the Shadow Cabinet still have to resolve. And Mr Wilson will know how to exploit it.







Modest targets  
in Russia's  
five-year  
plan, page 14

Trade unions  
in an  
organizational  
dilemma, page 15

## PLA wants limit on borrowing raised after a big loss last year

By Peter Hill  
Industrial Correspondent

Government approval for a big rise in borrowing limits is being sought by the Port of London Authority in the wake of a loss last year.

The PLA apparently wants to increase its overdraft facilities involving several million pounds. Its existing limits, set in 1968, are "now inadequate to meet its needs."

Ministers and officials at the department of the Environment are considering the matter in the light of the PLA's worsening cash flow and liquidity problems during the past six months.

It will be some weeks before the PLA tabulates the full scale of the loss made last year, but it will be substantial. In October weekly losses were running at about £200,000 and, although some might improve towards the year end, total losses could be £5m.

The authority lost around £1m of revenue and 1.5 million tons of cargo during the six weeks dock strike in the first quarter of the year, and overall traffic through the port is expected to be down by about 10 per cent on a year earlier as a result of the world trade recession.

Difficulties arising from the fall in the volume of trade have been compounded by difficulties in raising redundancy payments among its own staff, here too payments can be as high as £15,000, and among dock workers where redundancy payments average about £5,000. Financing these payments will continue to be a

big drain on resources because there is still heavy overmanning in the docks.

While not a nationalized body, the PLA is required by Act of Parliament to break even financially. It has also been hit by the Community Land Act which requires it to dispose of surplus dockland at prices which relate to its existing use, and therefore much less than the authority could have expected some time ago.

The main sources of its funds is loans made for specific projects under the Harbours Act. After the last loan, the Government set up a monitoring committee made up of representatives of the Department of the Environment, the PLA and the National Ports Council to oversee the authority's financial management.

Methods of improving the liquidity position have been under discussion for some weeks in the light of the dismal performance last year and the difficulties foreseen for this year.

In 1974 it recorded a profit of £53,000, a big fall on the profit of £1,723m the previous year, but both are regarded as inadequate when related to the capital employed.

A spokesman for the PLA said last night: "We would hope for a decision very quickly—certainly in a matter of weeks—and we are talking here of an increase of several million pounds."

"We have no choice but to continue to run down our staff and dock labour levels during 1976 and, on the present terms, we need the cash to do it."

## Brokers predict 12pc inflation by year's end

Unemployment and the pace of payments will be the principal problems facing Government throughout '76 and into next year, the brokers Phillips and Drew say in their latest economic forecast, published today.

"Continuing voluntary controls pay are predicted, with a rate of an 8 per cent increase hourly rates, which wage will push to 10 per cent. The forecast also sees inflation being reduced to 12 per cent by the end of this year, and to a little over 10 per cent by mid-1977."

Real gross domestic product is predicted to rise by nearly 2 per cent in the calendar year and by a little over 3 per cent in the months to mid-1977, it says.

"This growth rate is probably insufficient to prevent rising unemployment from reaching the 1.5 million mark, though some reduction in unemployment is possible in early 1977."

The review says the 66 pay it will continue to be effective in most settlements. The look for the intensive January-March bargaining period encouraging, while the rent posture of the Government indicates an extension of money pay control when the

present limit lapses on August 1 this year.

"Our judgment is that a target in the range 5-10 per cent will be announced for the 12 months from mid-1976 to mid-1977. It is likely the norm will consist of a mixture of a flat rate amount plus a percentage increase."

"We are moderately optimistic about the measure of agreement such a norm might achieve in the 1976/77 wage round, if only because unemployment will probably remain high."

Some deficit above the norm is likely as economic activity starts to rise. The review expects the announcement of a target which implies an 8 per cent permitted increase in hourly wage rates, but the brokers expect the actual return to mid-1977 will be about 10 per cent. This figure could prove to be the low point of the current cycle.

"On our balance of payments forecasts for the next 18 months to two years, the problems of overseas financing is now the most worrying feature of the economic prospect," the review says. A deficit of about £1,600m is expected in the year, with little if any improvement in early 1977.

High Stephenson, page 14

## Adoption grants help redundant building trainees

Measures to rescue redundant trainees in the building industry were announced yesterday by the Construction Industry Training Board.

The plans have been drawn following an offer of more aid from the Government's Housing Services Agency.

Part of the extra cash—amounting to about £1m—will be used to provide the CITB to make so-called "adoption grants" to employers who take on redundant trainees.

Similar arrangements are being made for trainees in electrical, engineering and mechanical training services.

## Israel devalues to help balance of payments

Jerusalem, Jan. 4.—Israel last night devalued its currency by nearly 2 per cent to 7.24 Israeli pounds to the US dollar.

The new rate was decided on by a ministerial committee headed by Mr. Yehoshua Rabinowitz, the finance minister to offset the worsening balance of payments situation in the country. It was previously 12.10 to the dollar.

The cabinet has authorized the committee to carry out devaluations of up to 2 per cent, popularly called here "creeping devaluations," at intervals of at least 30 days without its prior consent.—Reuters.

## LLOYDS BANK BASE RATE

Lloyds Bank announces that, with effect from Friday, 5th January, 1976, its Base Rate for lending reduced from 11% to 10%.

The rate of interest allowed on seven-day notice deposit accounts and on Savings Bank accounts is used from 7% to 6%.

**Lloyds Bank**

## Chrysler set to sign rescue deal today

By R. W. Shakespeare

Chrysler is almost certain to sign the £162m rescue deal with the Government formally today so that it can obtain immediately the first instalment of state cash.

The money is urgently needed by the American-owned company to meet its financial commitments and to restructure its plants in the Midlands and Kent. It is also needed to pay the wages of its workers, who are to be paid in full by the Government until the state aid Chrysler would have been unable to do either.

The way for the final signing of the agreement was cleared on Saturday when the management was told that a majority of union and shopfloor representatives from all the Chrysler plants were prepared to accept the rescue deal "in principle."

Chrysler had warned the unions that without acceptance of the plan—and the 8,300 redundancies that go with it—the Government would refuse to hand over any money, with the result that all British operations would cease and about 25,000 jobs would be lost.

Union and shopfloor representatives have made it clear that their acceptance is a reluctant one, and that they will continue to press, in plant level negotiations, for maximum flexibility in the way the cutbacks are made—especially on the question of voluntary rather than compulsory redundancies.

The grim prospect for the workers now, however, is that about 6,500 in the Midlands and Kent will be laid off. Chrysler has said that all workers will be recalled before redundancy notices go out.

The engines plant at Stoke, Coventry, is to be reopened on January 12, the Linwood assembly plant the following day and the Ryton, Coventry, assembly plant on January 19.

The bulk of the first 6,500 dismissal notices are likely to be served within a day or two of these reopening dates. The balance of the cuts will be made in June.

Most of the cutbacks will affect Stoke and Ryton—where about 5,000 jobs will go—and Linwood.

Some opposition to the deal has been voiced by Chrysler and Government remains, notably from a key group of 1,000 white collar workers at the two Coventry plants who belong to the Association of Scientific, Technical and Managerial Staffs.

Their representatives voted against acceptance when the 120 shop stewards from all plants took their final decision, immediately before Saturday's meeting with the management.

ASTMS local officials in Coventry have said that they will continue to oppose any redundancies and that their members—mostly foremen and other supervisory grades—will refuse to cooperate with management in carrying out the reorganization plans.

However, without support by the manual workers' unions and shop stewards, it seems unlikely that the supervisors can mount any really effective action to resist the deal, although their threat of militant action remains.

Lowest-paid directors

Paris, Jan. 4.—Executives and technical staff in Britain are the lowest paid compared with those in other industrialized countries, according to a survey published today in the French weekly, *Le Point*.

In Switzerland the average salary for directors is £41,000 compared with £18,000 in Britain and £22,000 in the United States.—Reuters.

From Frank Vogl  
Washington, Jan. 4

## Posers seen in accounting changes

By Andrew Goodrick-Clarke  
Financial Editor

Inflation accounting is bound to lead to some "painful" reappraisal of the investment merits of many companies, the influential City Capital Markets Committee has said.

In its first reaction to the recommendations put forward by the committee headed by Sir Francis Sandilands, the committee suggests concessions to some companies during the introductory phase of inflation accounting.

The Sandilands' committee's idea for a current cost system of inflation accounting receives a broad welcome and the Capital Markets Committee, headed by Mr. Ian Fraser, deputy chairman of Lazard Brothers and a former director-general of the Takeover Panel, sees the report as a "major contribution towards the development of accounting techniques to deal with the impact of inflation on financial accounts."

Already the Sandilands' proposals have been accepted in broad principle by the Government and the Capital Markets Committee wants to see the matter pursued with great urgency.

The aim, the committee says, should be to develop a system of accounting which is soon to be announced, to bring forward a new standard of accounting for inflation combining many of the

recommendations of the Sandilands Report and the proposals of the Consultative Committee of Accountancy Bodies with the minimum of delay.

There may be imperfections at the outset, the committee accepts, but it gives a warning against delay in the hope of obtaining perfection from the start.

It foresees serious problems for some companies, particularly those with high ratios of physical assets, which may see profits now stated in historic cost terms dramatically reduced or even eliminated under inflation accounting.

Management's reaction to this, it says, may be to reduce dividends, try to increase selling prices, attempt to reduce costs and to postpone capital spending.

Moreover, bankers and other sources of credit could adopt a more cautious attitude towards such companies.

The committee says it is "impossible to disregard the effect which major dividend reductions, while leaving that of the services sector, particularly financial services, substantially unchanged, the committee says."

If the Government tried to preserve the total corporation tax revenue intact by switching the burden to, for example, the financial services sector, this would amount to a return to

holders who rely on dividends.

Such investors would put their money elsewhere when they see that these companies face a substantial derating of their share prices, the committee says.

It adds: "Unless adequate steps can be taken to restore profitability such companies will, by so illustrating their 'real' financial position, have restricted their access to the capital market for future years and investment programmes and competitiveness will be reduced."

Because these companies will try to increase selling prices, the committee suggests that price control regulations, if they still exist when inflation accounting is introduced, should be adapted to enable them to increase prices if they are able to do so in competitive terms.

Adoption of the new system is likely to reduce the corporation tax base of manufacturing industry because a reduction in profits will reduce tax liability—while leaving that of the services sector, particularly financial services, substantially unchanged, the committee says.

If the Government tried to preserve the total corporation tax revenue intact by switching the burden to, for example, the financial services sector, this would amount to a return to



Mr. Ian Fraser: Broad welcome for Sandilands report.

the philosophy underlying the old selective employment tax, and would be a move towards stifling an efficient industry.

Companies adversely affected by the introduction of inflation accounting should be given every freedom and encouragement to take the necessary remedial steps over a period of time if needed.

## Opec ministers keen to reconvene talks

By Roger Velvove  
Energy Correspondent

Influential members of the Organization of Petroleum Exporting Countries are pressing for an early resumption of meeting that was broken up on December 21 when terrorists raided the organization's Vienna headquarters and took oil ministers and their advisers prisoners.

At the time ministers were discussing relative values of different grades of crude oil and whether some were underpriced.

Although there is a reluctance to hold the resumed meeting at the scene of the attack, many members are anxious to complete the discussions on the differentials.

Alleged undercutting of prices by some members is producing renewed strains on the unity of the organization.

The most likely date for the conference to reconvene is January 26, the date originally scheduled for Opec finance ministers to meet on the organization's aid fund proposals.

Before the December meeting began there had been hopes that the conference would reach a wide-ranging agreement on the price differentials—the premiums customers are pre-

pared to pay for the quality of crude oil such as low sulphur content and high gravity.

But it soon became apparent that the ministers would be hard pressed to settle the dispute that had broken out between Iraq and Kuwait. Iraq was criticized also by Iran and Algeria for pricing its crude oil at between 10 and 40 cents a barrel below its real value in the market place.

The fact that Iraq has managed to maintain its oil output at a time when almost all other Opec members had been forced to make substantial cuts because of the slump in demand was cited as evidence of the cheapness of Iraqi oil.

More definite guidance from Opec on the relative values of crudes would make it difficult for members to use the informal guidelines on differentials as the basis for price-cutting.

The most likely result of the resumed meeting would be a formula to end the immediate internal squabbles over pricing, without tackling the fundamental problem of how differentials should be fixed to take account of variations in the demand for different types of crude.

Algeria will once again press its own plans for dealing with differentials. This involves an index which would be adjusted every quarter to take account of market factors.

## Hopes of speeding up Court Line refunds

By Patricia Tisdall

A last-minute response from travel agents involved in winding up Court Line's affairs has eased anxiety about the industry's ability to pay back funds held up pending a settlement.

The deadline for agents to declare payments for Court Line holidays which had not been handed over to the liquidator was extended to the end of January because of a disappointing initial response.

The money, estimated to total about £2m, was held up because of a dispute over whether it belonged to the liquidator or the holidaymaker. As a result refunds to about 40,000 Court Line clients, who had paid for but not taken their holidays, were delayed.

A compromise solution agreed by the Government's Air Travel Reserve Fund Agency, the Association of British Travel Agents and the liquidators was to send the money to independent stake holders. As soon as clients would be reimbursed as quickly as possible.

But by the original deadline of November 25 only about half the funds expected had arrived, and there was concern that the remaining agents would be unable to pay up.

After repeated warnings by ABTA, however, more declarations were received, and by the final date of December 31 it was estimated that statements from only about 30 companies had not been received.

At a meeting tomorrow the three bodies involved are to review the situation. One of the difficulties apparently has been that several agents failed to realize that all returns were required.

The remainder are threatened with sanctions by the Retail Agents Council of the ABTA, the nature of which will be discussed at tomorrow's meeting. Clients of these agents will still be able to obtain rebates from the government fund but they may have to make individual claims to do so.

It is still hoped that most outstanding repayments will be completed during the next two months.

More than £3.4m has already been paid out to disappointed Court Line holidaymakers. Of this the bond for the Clarksons Holidays subsidiary produced about £1.13m for 24,000 customers. Halcyon Holidays' bond of £64,000 has been divided among 7,000 clients.

Also the Air Travel Reserve Fund Agency has paid about £1.09m to 26,700 Clarksons clients, about £192,000 to 2,800 Halcyon clients and about £117,000 to 6,500 customers of the Airfair travel subsidiary.

## Mr Steel to head BP Oil



Mr. David Steel (left) the new chairman of British Petroleum, will also take the chair at one of the company's largest and newest subsidiaries.

Since January 1, BP Oil has been responsible for all the oil distribution and marketing operations formerly under the control of the now defunct Shell-Mex and BP Oil also has overall control of the group's refineries in the United Kingdom.

Mr. Alan Robertson, who as chief executive and managing director of BP Oil has seen the subsidiary through the transition period, will retire at the end of the month and will be succeeded by Mr. Denis Milne.

Mr. Christopher Laidlaw, a managing director of BP Oil, will be the new chairman of the subsidiary. Mr. Derek Cuthbert (manufacturing and supply); Mr. Peter Gibson (personnel and administration); Mr. Ted Harris (finance) and Mr. John Riddell-Webster (marketing).

## Third World strives for united energy policy

Paris, Jan. 4.—Representatives of 19 Third World nations, including eight major oil producers, meet here tomorrow to draw up a common strategy for talks with the industrial world on energy and other critical economic problems.

It will be the first meeting of the 19 since they reached agreement on the industrial nations in Paris last month on setting up four negotiating commissions to tackle the world's most troublesome economic issues.

The commissions, scheduled to start work on February 11, will deal with energy, raw materials, development, and related financial problems. Their work will mark the real beginning of the consumer-producer dialogue.

But the Third World nations have to settle their own differences before they can engage in commission bargaining. These they will try to resolve tomorrow.

Their main problem hinges on guidelines for the commissions. Algeria wants rigid mandates to ensure that Third World countries can discuss the issues they consider most essential.

Saudi Arabia, Iran and Brazil are believed anxious to avoid a tough political stand on guidelines. Industrial nations also want to keep commission agendas flexible.—Reuters.

## Egypt's curbs on capital deter foreign investors

By Derek Harris

Egyptian regulations on repatriation of capital by foreign investors are believed to be a factor holding up a number of major deals that could give the country badly-needed production capacity.

Tax-free zone incentives and other methods so far adopted in Egypt to attract foreign investment have not so far brought any big deals to fruition.

General Motors of America is at an early stage of negotiation, with feasibility studies, on both a commercial vehicle and a passenger car plant. Ford Motor of America has had preliminary talks on a new £20m factory in Egypt.

The latest entrant into negotiations is believed to be International Harvester, the American-based agricultural and earthmoving equipment manufacturer. A plant worth about £15m could be the result.

But some of these deals, including the International Harvester project, are understood to be halted at the moment, largely by Egyptian insistence that original investment capital should not be

## Publishers see export losses in PO rate rises

By Stephen Goodwin

With a further rise in overseas postal rates coming into effect today, publishers of books and periodicals are going to be urged to maintain their position in a market which last year added an estimated £200m in Britain's export earnings.

In the past 12 months overseas postal rates for books, magazines and periodicals have doubled.

Publishers feel they are at a severe disadvantage compared with some of their main competitors, particularly from the United States, and they are looking at ways of getting round the high rates.

The Mail Users Association, intends to compile a complete list of postal rates charged by overseas countries, both for internal traffic and their overseas traffic.

Books or periodicals could then be sent by sea or air freight, or roll-on, roll-off services and posted overseas, without incurring the Post Office's monopoly.

Publishers accept that the high overseas printed paper rates are the result of agreed universal postal union imbalance charges, and are not the fault of the Post Office.

They would like the Government to recognize the importance of books and periodicals to exports, both directly and indirectly, by publicizing British products, and subsidizing a cheaper rate.

According to Mr. Julian Blackwell, of Blackwell's of Oxford, who is chairman of the MUA's steering committee, the cost would be about £5m. "It would make all the difference, and when you think of all the money that is being handed out, £5m is peanuts", Mr. Blackwell said.

People are beginning to see that the American overseas rates are more competitive than our own. Their service runs at a loss but the Americans realize its importance.

The Periodical Publishers Association believes Britain is now one of the most expensive countries in the world from which to post magazines and periodicals destined for circulation overseas.

Mr. David Burnett, director-general of the association, said that although the rises were announced last summer, magazine publishers had hoped the Post Office would appreciate the damage that such increases could do to the export sales.

The Post Office has been losing money heavily on the overseas printed paper rates for many years. In 1974-75 the loss was about £4.5m and with a threefold increase in the TPU imbalance charges coming into effect on January 1, the loss could be much heavier.

Further increases in the overseas printed paper rates are likely to follow.

## The Central National Bank of Cleveland, Ohio

wishes to announce that it has closed its London Representative Office with effect from 1st January 1976.

All enquiries regarding business should thereafter be directed to its offices in Cleveland, U.S.A. or Paris.

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## Lending rate 11 pc

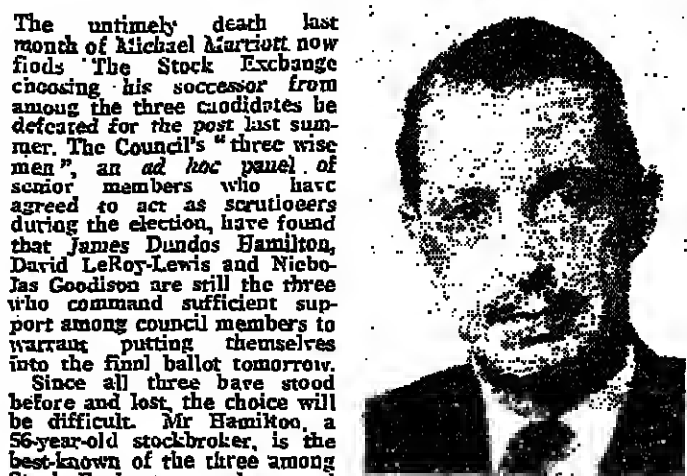
The Bank of England's minimum lending rate will be 1 per cent lower this week at 11 per cent. The following are the results of Friday's Treasury Bill Tender:

Bids at 11.975m	Accepted 8.2m
at 12.000m	at 12.000m
at 12.025m	at 12.025m
at 12.050m	at 12.050m
at 12.075m	at 12.075m
at 12.100m	at 12.100m
at 12.125m	at 12.125m
at 12.150m	at 12.150m
at 12.175m	at 12.175m
at 12.200m	at 12.200m
at 12.225m	at 12.225m
at 12.250m	at 12.250m
at 12.275m	at 12.275m
at 12.300m	at 12.300m
at 12.325m	at 12.325m
at 12.350m	at 12.350m
at 12.375m	at 12.375m
at 12.400m	at 12.400m
at 12.425m	at 12.425m
at 12.450m	at 12.450m
at 12.475m	at 12.475m
at 12.500m	at 12.500m
at 12.525m	at 12.525m
at 12.550m	at 12.550m
at 12.575m	at 12.575m
at 12.600m	at 12.600m
at 12.625m	at 12.625m
at 12.650m	at 12.650m
at 12.675m	at 12.675m
at 12.700m	at 12.700m
at 12.725m	at 12.725m
at 12.750m	at 12.750m
at 12.775m	at 12.775m
at 12.800m	at 12.800m
at 12.825m	at 12.825m
at 12.850m	at 12.850m
at 12.875m	at 12.875m
at 12.900m	at 12.900m
at 12.925m	at 12.925m
at 12.950m	at 12.950m
at 12.975m	at 12.975m
at 13.000m	at 13.000m



BY THE FINANCIAL EDITOR

## Balloting at The Stock Exchange



Lord Kissin, chairman of Esperanza Trade & Transport: a new acquisition.

The untimely death last month of Michael Marriot now finds the Stock Exchange choosing his successor from among the three candidates he defeated for the post last summer. The Council's "three wise men", an *ad hoc* panel of senior members who have agreed to act as scrutineers during the election, have found that James Dundas Hamilton, David LeRoy-Lewis and Nicolas Goodison are still the three who command sufficient support among council members to warrant putting themselves into the final ballot tomorrow. Since all three have stood before and lost the choice will be difficult. Mr Hamilton, a 56-year-old stockbroker, is the best-known of the three among Stock Exchange members, and was widely expected to win last time. But it is no secret that his occasionally outspoken views have won him disapproval among some council members—and they rather than the membership choose a chairman. Mr Goodison, another stockbroker, and believed to have been runner-up last time, is only 41, but he has been gaining importance, experience as chairman of the council's membership committee. However, because of his age Mr Goodison would be seen as a long-term chairman, and the council is naturally shaken by the death of Mr Marriot who was expected to serve for perhaps five years, may not be in the mood for an appointment. It is, though, Mr Goodison stands a chance.

Mr LeRoy-Lewis's hopes rest on whether this time the council is willing to overlook his past, previously been regarded as a disqualifying factor and elect a jobber. Weekend reports do in fact suggest that Mr LeRoy-Lewis may have his nose just in front at this stage. But whoever the preference as a personality may fall on, uncommitted council members may well have spent the week-end giving serious thought to whether or not a jobber is suited for the position at this particular juncture.

It might for instance, be argued more powerfully than ever before that what The Stock Exchange needs is a chairman who can relate to the public with the investing public and, therefore that the choice has to be a broker. But while the premise is certainly right, I wonder whether the conclusion does not come from the fact that the Stock Exchange members and their interests too narrowly.

More important, perhaps, might be the consideration of whether or not it is appropriate to have a jobber at the helm over a period when changing patterns in the process of trading are likely to come under increasing debate. But whoever emerges the victor the job is likely to be still more challenging in the second half of the year, when the government's credit controls are likely to be more than it has been in the first.

**Colour television**  
**Outlook still blurred**

The colour television industry has been arguing strenuously for the best part of a year that it is being sacrificed on the altar of economic management. For all the chopping and changing of government credit controls on colour televisions has done more to upset the equilibrium of the industry than the tide of Japanese imports.

Profit figures from several of the leading manufacturers, including Decca, Thorn and GEC, have already borne the scars of the precipitous drop in colour set deliveries last year to around 1.6 million from 2.2 million the year before and 2.8 million when the boom was in full flood in 1973. The wounds are likely to go deeper still when results covering the second half of 1975 are announced as these will fully reflect the impact of the VAT increase on the market.

For the colour tube manufacturers, their position has gone from bad to worse over the last year. Poor demand led to heavy losses of Pilkington's new television-making operation at Ravenhill, St Helens, forcing it to close soon after opening. And this has put a cloud over the future of Thorn's colour tube factory at Skelmersdale, which obtains its glass from Pilkington.

While the industry has been pressing hard for government help—either in the form of import controls, a reduction in the 25 per cent VAT rate or relaxation of hire purchase controls—the only positive respite it has received is a slight easing of the purchase of new sets and rental agreements.

That is a long way short of the measures necessary to stimulate demand but the industry is at least hopeful that it will halt the decline in demand. But in an industry that depends on long production runs to make decent profits, the fact that it is working some 50 per cent below capacity is of particularly serious concern. Even when demand does start to rise, it will take time to get earlier projections that the market will grow by 2½ million units a year until saturation is reached by the end of the decade looks unattainable in the foreseeable future—here are the main reasons why.

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from £22.4m to £30.3m at end September.

On the face of it, the group earned £3.55m on its cash and deposits last year: and it is plain enough that with falling interest rates the return will be falling this time round. Hanson, however, claims that its highly lucrative United States acquisitions—which have been all but completely financed out of local borrowings—are facilitated by the possession of so liquid a balance-sheet; and that the returns on it come as much in such currencies as in manœuvrability and borrowing status as to its cash.

Investors are buying for Mr Hanson's entrepreneurial flair and for a policy of investing in the United States which so far has spectacularly paid off: but it is worth noting, too, that the 5.4 per cent yield on the shares at 133p looks one of the safest there is.

**Accounts: 1974-75 (1973-74)**  
Capitalization £82.7m  
Net assets £48.4m (£33.3m)  
Net cash £9.68m (£5.34m)  
Pre-tax profit £12.13m (£10.44m)  
Earnings per share 9.8p (8.9p)  
Including purchase consideration payable £7.2m (£3.9m).

### Esperanza

#### Further away from mining

A £2.48m bid for the insurance business of the Cella-Hanky companies takes Esperanza Trade & Transport a step further from its original role as operator of a dying copper mine on Cyprus.

Rebranded by the Guinness Peer Group and Rischold Investment Trust, which held 20.3 per cent and 15.1 per cent of the equity respectively, Esperanza tagged an international services division onto its mining side in 1970. Since then the company has managed to increase its turnover from these services by a staggering 60 per cent a year compound. And in the last year to the end of last September, non-mining income accounted for more than 90 per cent of the £12.2m pre-interest profits.

Despite the 62 per cent jump in profits from international services, however, overall pre-tax profits for the half year are 27 per cent down on the comparable figures for 1974, when a doubled copper price and forward sales of the Cyprus mine's production pushed its contribution to group profits to an exceptional £87,000.

This time the mine chipped in just £114,000. But although the mine, which is now believed to have a productive life of just over five years, is clearly no longer the key to Esperanza's performance, the group will be able to take the benefit of any improvement in the copper price. Moreover, the mine lies outside the Turkish-controlled sector of Cyprus and lost only one week's production as a result of the invasion.

Esperanza proposes to pay £1.1m of the £2.48m price for Cella-Hanky in cash, and the balance in shares. The deal will add some £1m of assets to Esperanza's balance sheet; and it should add at least a fifth to group earnings. In 1974 the Cella-Hanky companies produced trading profits of £363,000, and unaudited figures show a half year trading profit of £260,000 to June 1975.

Esperanza's trading spread, both geographically and in the nature of its services, has given it a degree of insulation against the slump in international trade. And at 88a, yielding 6.9 per cent, rising to just under 7.6 per cent, presumably a further dividend increase at the final stage, the shares look a good medium-term bet.

**Investor 1975-76 (1974-75)**  
Capitalization £8.7m  
Sales £9.09m (£7.03m)  
Pre-tax profit £1.08m (£1.48m)  
Dividend gross 2.42p (2.23p)

Nineteen-seventy-five witnessed two political escape tricks of which the great Houdini himself might have been proud. They were that the Government got through the EEC Referendum with a 54 per cent vote and imposed, in effect, statutory wages policy which with over more than a surface tremor.

If one had been looking forward a year ago, one would have said that the Labour Party could be split from top to bottom and the Government fall on either issue.

Almost as remarkable has been the performance of the Chancellor of the Exchequer. He got through 1975 without being forced to relate the economy. At the same time he has played a prominent and crucial role in avoiding substantial import controls. (Only on the issue of the Chrysler rescue package did he elect not to stand up and be counted in favour of a national industrial policy.)

He has given every impression of

having a medium term economic strategy for the period up to the next general election—in 1978 or 1979, and of intending to stick to it.

The strategy, put simply, consists of letting a steadily increasing inflation squeeze out price inflation for another year, so that it will be safe to allow an upswing to develop from 1977 onwards; all the while regularly asserting that it will be unthinkable for a Labour Government to use high unemployment as a deliberate weapon of economic policy.

The Chancellor is now beginning to work on his fourth small budget. It would be surprising if he changed the formula that he has used successfully in the previous three, namely a budget that can be presented as a few hundred million pounds of fiscal restraint, but which is in effect neutral.

In the second half of this year, however, the more serious question for him, as an ambitious politician and as Chancellor, will be to write a public

script that will get him through the annual autumn conference.

The question must then be asked, however, is the one that remains over the rate of inflation. The Chancellor is still asserting, as if he believed it, that the rate of inflation will be down in single figures by the end of 1976.

The original target was that the single figure should apply to the measure of price increases, comprising December 1976 with the end of 1975. The hope seems now to have been reduced to one that the going rate of inflation at the end of 1976 will be down in single figures.

One can confidently predict that every conceivable measure to head off the going rate of inflation will be pressed into service as the end of 1976 approaches. But, however it is measured, hats will have to be widely consumed, if the Chancellor in his next new year message, can claim that the target has been reached.

Suppose, however, purely for the purposes of argument, that the rate of inflation has by then come down to 9.9 per cent. It will have done so only on the basis of very general observance of the 56-a-week pay increase limit. The Chancellor can scarcely claim though, that 9.9 per cent is an acceptable rate.

If, for economic and political reasons he wishes at the same time to allow, or intends directly to achieve, a return to economic growth, it is almost certain to conclude that this would have to be combined with some continuing incomes policy.

By this July, though, the present incomes policy is likely to be coming under heavy pressure. The anomalies and inflexibilities will by then be such as to make its extension, let alone tightening, objectionable to almost everyone who has to operate it. His great escape act for 1976, then, is to get out of that double straitjacket.

Alec Nove looks at the problems besetting Soviet economic performance.

## Modest targets in Russia's five-year plan

Neither the Soviet consumer nor the leadership can be happy about the old year or the new, and the five-year plan about to be submitted to the party congress shows that the effects of the very poor harvest of 1975 and of other shortcomings, will not be quickly or easily overcome.

The overall picture can be seen from Table A.

The figure for agriculture would have much more if it included the further cumulative growth in the volume of investment in the volume of investment. This is not much to be proud of, but it is a record for the growth in the volume of investment in the volume of investment.

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other is the impact of shortages and bottlenecks affecting basic industrial materials and—especially—fuels. It so happens that to overcome supply difficulties major investments are required in Siberia, where initial costs are very high. The efforts to improve agricultural production also take a large bite (33 per cent in all) of total investment. Yet such is the pressure on resources that the growth in the volume of investment is unusually low. Not much can be spared in these circumstances for consumers' goods industries.

Tuning over to output targets for particular industries, the following picture emerges (1980 targets are midpoints of ranges):

### Fuels (see table)

The fuel situation looks tight. Despite a very rapid expansion in west Siberia, oil output in 1975 was below plan. The whole of the increase projected to 1980 is to come from west Siberia, as is much of the additional supply of gas. A huge programme of pipeline building is already being implemented.

The increase in oil output (29 per cent over the five years, compared with 10 per cent in the previous quinquennium) is too small, given rising demand in the USSR and Eastern Europe, to permit any major expansion of Soviet oil exports to the West.

One notes a limited shift back to solid fuel, with coal used to fire power stations built close to open-cast mining areas in Siberia and the electricity transmitted over very long distances in the consuming areas. There is a massive programme of nuclear power station construction.

**Machinery (see table)**  
Steel output failed to reach the planned goals, though it grew quite impressively, and again the 1980 target is more modest, a 16 per cent increase over the five years. Absolute figures are never given for non-ferrous metals, but the indices cited show a marked decline in projected growth rates.

**Chemicals**  
The plan for fertilizer was fulfilled in 1975 and the priority accorded to agriculture's needs shows in the growth of nearly 60 per cent envisaged in 1976-80. However, the same cannot be said of the performance of other branches of the

**TABLE A**  
1971-75  
Plan Actual  
1976-80  
Plan  
1975=100

National income  
Industrial production  
Producers' goods  
Consumers' goods  
Average wage  
Agricultural production  
Total investments

136.0 128  
147.0 143  
146.3 145  
146.3 137  
122.4 120  
121.7 113  
141.6 141

† Most 1976-80 figures are midpoints of ranges  
‡ Quinquennium percentage of previous quinquennium  
§ Provisional estimate

### FUELS

Electricity (million kwh)  
Oil (incl. condensate) million tons  
Gas (million cubic metres)  
Coal (million tons)

1970 1975A 1975B 1980  
740.9 1065 1055 1380  
352.3 505 489 630  
198 320 285 418  
524 695 700 800

A=Original five-year plan target B=Probable output in 1975.

### METALLURGY

Steel (million tons)  
Rolling mill products (million tons)  
Aluminium (1970=100)  
Copper (1970=100)  
Nickel (1970=100)

1970 1975A 1975B 1980  
115.9 148.4 142 165  
80.6 105.3 100 117.5  
160 160 (1975=100) 125  
160 160 (1975=100) 125

### PERSONAL INCOMES

1975A 1975B 1980  
Real incomes per capita (1970=100)  
Average wages & salaries (1970=100)  
Collective farm peasants pay (1970=100)  
† Original five-year plan target. 1975B: Reported achievement.

131 124 121  
122.4 120 117  
130.6 122 125.5

\* Income from collective work only.

**Chemical industry:** thus plastics, resins and chemical fibres are far behind schedule, though growing.

**Machinery, vehicles**  
Total output of this vast and variegated branch of industry is planned to rise by 50-60 per cent against 70 per cent in the previous quinquennium. This unevenly distributed between sectors. Thus the plan envisages hardly any increase in output of cars and only about 12 per cent in production of lorries and tractors. One wonders if an expected shortage of oil is a reason for this.

By contrast, great efforts are to be made to improve the quality as well as the quantity of machine tools. Planned increases in chemical machinery (+55 per cent), automation equipment (+70 per cent), and computer technology (+80 per cent), while ambitious, are all below what had been envisaged in the previous quinquennium.

A big rise is intended in machinery for the livestock sector of agriculture. Production of equipment for light industry (textiles, footwear, and the like) fell far behind plan, and in fact the 1980 goals seem slightly below those originally announced for 1975 (and, of course, not reached).

Finally, there is military hardware, on which the plan document is, as usual, totally silent, and which is part of the "machinery" output total. Of course, the greater the output of the military in the output of equipment, the less available for civilian investment and so for economic growth.

**Consumer goods industries**  
Textiles and knitwear output is to rise by upwards of 28 per cent, but the previous plan targets were not reached and it is very doubtful if the new ones will be. The output of consumer durables is to rise by 60 per cent, the same as was actually

### The investment plan

As we have already seen, the total in the five years is to rise by 25 per cent (against 41 per cent in the previous quinquennium). We are told that agricultural investment will be increased by 31 per cent, thus increasing its already very large share in the total, and that the volume of housing construction is to remain virtually unchanged, though its share in the total will fall. The housing erected in 1971-75, 544 million square metres, against the planned figure of 580 millions. No other data are yet published.

### Personal incomes

(see table)

It is noticeable that the 1975 plan was underfulfilled, and the same is likely to be true of 1980. "Stable prices" are promised, which means that the inevitable shortages will give rise in non-priority cities, a black market and possible some civil commotion (especially in 1976).

### Foreign trade

The total volume is to rise by 30-35 per cent. Apart from generalities about coordination of plans with Comecon allies, nothing of substance is said. We may be sure that the balance of payments is a source of great concern at present.

Finally, how realistic is this, the tenth five-year plan? Even though comparatively modest, it can only be fulfilled if there is a large increase in labour productivity (the rise in industrial output at 37 per cent is to be achieved by an increase of less than 4 per cent in the labour force), and if there is much greater efficiency in the use of resources.

There is sharp criticism of delays in completing investment projects, a wasteful use of resources, and a lack of progress in adopting new technology. These shortcomings were key causes of the non-fulfilment of the previous plan.

Yet the system that generates these inefficiencies has not been reformed. It is not through tighter control and exhortation, to make it work better. The creation of Soviet "corporations" or "associations" (*obshchestva*) is supposed to strengthen middle-level management, but the over-centralized system has survived with remarkably little change, so far.

Yet a sense of proportion requires us to remember that our own economy is in a state of near-collapse, with its employment and inefficiency causing major inefficiencies, and that the Soviet system faces no absolute decline (except in barter yields in a bad weather).

Professor Nove is in the Department of International Economics Studies at the University of Glasgow.

### Putting Cleveland on the map

Few people will deny that local government reorganization has caused some expensive headaches one way or another.

Jobo Fraser, Parliamentary Under-Secretary of State at the Department of Employment, is due to pay a flying visit to Cleveland tomorrow to open a new careers office at Middlesbrough.

Cleveland county is not quite so badly off in percentage unemployment terms as the northern region as a whole, though it is well above national averages. Within the county area there were in December 16,290 people out of work, a rate of 8.4 per cent. This compares with a regional average of 6.9 per cent and a national average of 5.1 per cent.

For the record, end to help with identification, it should be known that the county of Cleveland is bounded by the heart-shaped neck of the Tees, each bank of which is liberally sprinkled with chemicals, petrochemicals, shipbuilding, and other heavy industry and off-shore oil construction plant.

The recent opening of the Phillips Petroleum-Elofisk oil complex on the north bank of the Tees has, in the view of Stephen Simmons, information officer in the county's industrial promotion division, served to focus attention on Cleveland and Teesside.

It also acted as a catalyst. "It made them aware that opportunities do exist here," he said. "And it seems to have generated inquiries."

Existing companies are doing their best on the investment front. In the past two or three months ICI has announced proposals for a 245m cume plant

at its North Tees works to be commissioned before the end of 1977.

The company is to go ahead with plans to double the busyness of its petrochemical division over the next 10 or 15 years. A £3m expansion plan is to be carried out by Steelclad at its Middlesbrough works, increasing the production of big quality magnesia for domestic and foreign markets, and international Gasket has announced a two years expansion programme at its Skelton factory to create 200 new jobs.

There were signs of relief in Cleveland that the British Steel Corporation's recent announcement of severe pruning did not touch Teesside. All eyes have been fixed on Redcar at the mouth of the Tees where the corporation is spending £500m on what will be the biggest steel complex in Europe.

North Sea oil is the latest and most welcome move—expansion on Teesside. Apart from the £100m Phillips-Elofisk complex, more than £100m is being estimated by Cleveland county to have been committed on off-shore oil construction work in the area.

Part of the problem here, however, is that new orders—desperately needed. Laid off workers, who have been trying to find new contracts to avoid breaking up a highly competent workforce, have been delivered to high as the London Post Office tower and is shortly to complete a third.

Ronald Kersh

## Business Diary in Europe: Dutch mark time • Flick's poser

Dutch Premier Joop den Uyl will remain much alive in the minds of his country's politicians and voters during a short holiday he has taken to recover from the twin sieges of an impending important Cabinet decision, to December.

Before he left this weekend, a 40 minute interview with him was broadcast last Friday, which has already been called a "speech to the nation" by the radio interview, den Uyl philosophized about new means of dividing up the spoils of a welfare state.

His proposals include stopping child allowances, but in cash and in the form of tax relief, for those earning over £4,000 a year, and a plan to stop subsidizing pension premiums from income before tax. He stated clearly that there is no prospect of any improvement in the power for those earning over £4,000 a year until 1980.

Child allowances are a sensitive point in the Netherlands. The allowance for the first child is £10 a month. Allowances for more children are progressively higher, ending at almost £30 a month for the eighth and subsequent children. Those over 16 still at school get double the allowance, those over 18 and subsequent a triple allowance up to the age of 27. The same applies to handicapped children who remain dependent on their parents.

Since Dutch parents have to pay a substantial contribution towards secondary education, the allowances play an important part in encouraging middle-

class families, who would be first affected by their cancellation, to keep their children at school.

### Slow spender

One man in the happy position of having money to spend after Christmas is Friedrich Karl Flick. On January 2 a cool £384m was transferred to the account of his company Friedrich Flick AG in payment for the 29 per cent holding in Daimler-Benz sold to the Deutsche Bank nearly a year ago.

Spending the money may not be all that easy, however. Because Flick's Daimler holding was valued very conservatively, the group is showing a good gain of £146m on the deal.

To avoid losing more than his profit, Flick must somehow reinvest the money in such a way that he can convince the economics and finance ministries in Bonn that he is benefiting the West German economy.

This is possible under paragraph 11 of the income tax law, which was passed in 1964 to encourage private investments and case "economically sensible adjustments to structural change" in the economy.

But the proceeds of the Daimler transaction are by far the largest sum ever to fall under this aspect of tax law and the present Government are disinclined to let the Flicks get away with too much.

Difficult as the problem may be at least Flick does not have to go on a gigantic spend

ing spree straight away. He has until the end of 1978 to invest the cash and in the meantime it will be earning interest.

So far there have been no hints about how the money will be spent although it is so secret that some of the companies to the Flick group could do with capital injections which would account for some but not all of the £346m.

### Best cellars

It sometimes seems as if the Hallgartens family speed as much time putting wine and spirits between hard covers as into bottles.

Peter, chairman and managing director of the House of Hallgarten, is writing something about the family's wine and spirits business for Faber.

This follows upon three other books, *Liqueurs, Chateau-neuf-de-Pape* and *Cotes-du-Rhone*, all for Wine and Spirit Publications.

Wife Elaine wrote the chapter on liqueurs in the kitchen in the first of Peter's WSP books, and has also written for them a brace of cookery books with Dorothy Brown.

Peter's father Fritz, who started the wine importing business when he fled to Britain from Germany in 1933, has come out in March his *German Wines*.

This is a Faber coffee table book, which at 115 or thereabouts, is priced at the original £100. It is likely to cost almost as much as the table that bears it.

Peter Hallgarten: books and bottles.



## LETTERS TO THE EDITOR

## Apportioning blame in the City

From Mr Roger Alford  
Sir, Your Business News Editor is concerned at the asymmetry between rewards and sanctions facing bankers and financiers in the City ("Rewards and Sanctions in the City", December 29), and takes the view that sanctions are too weak against those who have seen the instructions for which they are responsible as "a mixture of bad luck, bad judgment, or professional incompetence".

This list of the sources of bankruptcy unfortunately omits government economic policy, and, whether or not government economic policy can do any good, we certainly know that it can do enormous harm. He also asks: "Should a rescued chairman take no public or financial responsibility for clear failure?" Quite so;

but equally, should government/money authorities/policymakers take no public or financial responsibility for clear failure? If we are going to apportion blame, let us at least have all the defendants in the dock together; then, indeed, let justice be done.

Yours faithfully,  
ROGER ALFORD,  
The London School of Economics and Political Science,  
Houghton, London WC2A 2AE.

From Mr Anthony D. R. Holland  
Sir, As one who is not engaged in the City, I disagree with High Stephenson (December 29) that there are insufficient financial and professional sanctions against those who are seen either to transgress the

unwritten rules or otherwise fail, and let me add that these unwritten rules are far more stringent than any written ones might be.

Widespread obliquity from all within the City Establishment provides for a longer-lasting and greater deterrent to wrongdoing or lack of success than any written rules are likely to.

What is needed is firstly to halt the flow of petty legislation which stifles all enterprise and secondly to make a virtue of success.

Inflation is no longer a case of too much money chasing after too few goods. Rather it is a case of too many "do-gooders" chasing after too few "do-badders".

Yours faithfully,  
ANTHONY D. R. HOLLAND,  
7-8 Warwick Street,  
London, W1A 3AQ.

## Direct debiting guidelines

From Mr Mc N Henderson  
Sir, From time to time over the last two years, if not longer, you have printed letters from readers who have complaints about the operation of the direct debiting scheme.

Recently I had occasion to make some enquiries about the scheme, and an officer of the Committee of Scottish Clearing Banks, kindly permitted me to study an *Originator's Guide to the Direct Debiting Scheme*, produced by the Committee of London Clearing Banks, the Committee of Scottish Clearing Banks, and the Irish Banks' Standing Committee. The first edition is dated January 1975, and deals with the new rules which came into effect on September 15.

This guide is excellently produced and it is clear throughout that every effort is being made to protect the interests of the ordinary customer of the banks.

With effect from September 15 onwards, the explicit consent of the debtor to conversion from standing order mandates to direct debit must be obtained in every instance. The guide contains detailed forms to be used, and includes letter styles, worded with courtesy and consideration, to be sent to clients of those intending to operate the scheme. There are also flow charts which indicate the sequence of operations, for example for processing a notice of consent to conversion to direct debit.

The whole scheme appears to be bedged about with safeguards for the public, including use situations which have been used some concern amongst our readers, viz direct debit mandates for payment of unspecified amounts. Debtors are

fully protected by an indemnity which is executed by the originators in favour of the banks.

Two years ago (December 20, 1973), one of your correspondents complained that an insurance company operating this system, had failed to collect and subsequently alleged that his policies had lapsed.

I suspect that this information may have been sent to him by a junior official not acquainted with the new system. I have been assured by one of the major Scottish companies that they would always institute inquiries where a policy had apparently lapsed in order to find out what had gone wrong, whether payment was normally by cheque through the post or by direct debit. Furthermore, I think that it would not be difficult to find several legal arguments which would demonstrate that failure to collect for the insurance company in the wrong, not its client.

By coincidence, I recently received a letter full of apologies from a company which had claimed a payment through the system earlier than it should have done. The money was speedily retransferred and no harm done.

I understand that the scheme has been introduced in the interests of efficiency and economy. My only complaint is that those who continue to pay by the old-style banker's order or by individual cheques must be inflating the costs of collecting premiums, etc. Why are they not charged extra for the extra work they cause, or why do I not get a discount or refund?

Yours faithfully,  
H. MC N HENDERSON,  
Department of Scots Law,  
University of Edinburgh,  
The Old College,  
South Bridge,  
Edinburgh EH8 9YL.

## Excess vehicle capacity

From Mr S. G. Jefferson  
Sir, During 1975, we have been presented with:

- (a) The Ryder Report
- (b) The Expenditure Committee (Roads & Industry sub-committee) Report on the Motor Industry
- (c) The report of Sir Kenneth Barrill's Central Policy Review Staff.

Reading these three reports no one will dispute the fact that at this moment in time there is an excess of motor vehicle production capacity in the United Kingdom and Europe.

After accepting the point, it is logical to presume that there is, at this moment in time, a world-wide excess of motor vehicle production capacity.

This then brings one to the two £24,000,000 questions:

- (a) Why did British Leyland design, develop and manufacture tools, equipment and components for the new Korean "Hyundai" Car Company which will increase world production capacity by 50,000 vehicles per annum in 1976?
- (b) Why did the Government's Export Credit Guarantee Department get involved in such a deal?

Yours faithfully,  
S. G. JEFFERSON,  
Association of Scientific Technical and Managerial Staffs,  
3 Vanguard House,  
Birmingham B35 7AT.

## Yo-yo strings

From Mr L. K. Freedman  
Sir, Yo-yo strings wear out quickly in the 1970s it was possible to buy both yo-yos and spare strings.

There are some very good yo-yos in the shops but spare strings are not available—why? Yours faithfully,  
L. K. FREEDMAN,  
189 Creighton Avenue,  
London N2 9BN.

## Frank Vogt reports on the 1976 outlook for two key American industries

## \$7,000m trade surplus seen for aerospace despite lower exports

Total United States aerospace sales in 1976 should climb to \$29,170m (about £14,585m) after rising by \$2,060m this year to \$28,440m, according to estimates released by the Aerospace Industries Association of America.

In the year ahead, civil aircraft sales are seen as declining by about \$2,000m, while gains in all other aerospace categories are expected.

Exports are predicted to fall slightly to \$7,600m in 1976, after advancing in 1975 to a record \$7,800m from \$7,100m in 1974. The association notes that civil aircraft equipment accounts for \$5,600m of the 1975 total.

In an address to industry writers Mr Karl Harr, the association's president, said that the end result of this export performance will be a favourable balance of trade in aerospace.

Inflation had largely accounted for the overall sales gains in dollar terms he said, and using a 1968 constant dollar base, the 1975 total of \$28,440m was \$10,000m less than seven years ago. This accounts for the fact that the number of commercial transport aircraft shipped is well down on the 1974 level, although dollar revenues are higher.

The association pointed out that Department of Defence spending on aerospace equipment rose by \$700m this year, but the actual aerospace share of the department's total outlay, at 14.7 per cent, was down for the seventh consecutive year.

Employment in the industry is said to have fallen by about 52,000 during the year to 921,800 and a further decline to 900,000 by the end of 1976 is predicted.

## Profitable year forecast for American chemical sales

Washington, Jan 4.—Sales by American chemical companies are expected to rise by about 17 per cent this year, with net profits rising by 20 per cent, according to a survey of 31 companies by the Manufacturing Chemists Association.

About 20 per cent of the companies look to sales rising by 30 per cent or more, with another 20 per cent forecasting increases of no more than 10 per cent. Latest Department of Commerce figures show that the total value of the industry's deliveries rose 5 per cent in 1975 over 1974 to around \$85,000m (£42,500m).

The association shows that operating costs rose in the year ahead could range from 7 per cent for transportation and distribution to 15 per cent for fuels and electrical energy. Roughly one-third of the companies surveyed expect some energy shortage to hamper their output in 1976.

Some companies forecast an 11 per cent rise in research and development spending this year, and an increase on average of about 15 per cent in capital investment spending. The industry's labour force is expanding by 3 per cent, after falling about 4 per cent in 1975 to 1,014,000.

## Dairy products glut persists

From John Earle  
Sir, Jan 4.—Overproduction of world dairy products is expected to persist in 1976, especially in the European Community, according to a United Nations Food and Agriculture Organization report presented to a group of dairy industry companies associated with its industry cooperative programme.

World milk production, which almost stagnated last year at about 425 million tons, is likely to rise. Though demand for milk and milk products should gradually recover from the decline caused by the 1975 recession, the report predicts that the imbalance between supplies and commercial outlets will persist especially in the EEC.

Skim milk powder stocks in developed countries are estimated at 1.8 million tons, more than double the level at the beginning of 1975. Prospects for a recovery in skim milk powder prices from their fall of more than 50 per cent in 18 months are poor, with prices around £250 a ton are considered to be dismal.

Because of obstacles foreseen for commercial and food aid outlets, the report concluded that a large part of western European skim milk powder stocks would probably end up as animal feed.

If you ask union officials to construction what information about company prospects they require, they are likely to answer that the question does not mean much because their members' average employment with one company is only 18 months anyway.

If you go down the line a little and ask shop stewards, say, how much more information they require to hold their own with their employers, they are likely to say that they are likely to want much more financial information because they would not know what to do with it. And when you move from shop stewards and process operatives with one company like lorry drivers or sales representatives, their needs and interests diverge sharply again.

Perhaps it is not surprising that one of the most consistent findings of public opinion polls in Britain is that people want to know more about what is going on, and do not believe what they are being told. But behind this lies the embarrassing question: Whose job it is to see that the information is relevant and comprehensive?

In this context, the answer is usually that there is not much information that they do not have already.

But the frustrating side of it is more obvious. It is particularly obvious in matters like disclosure of information to employees, which is advocated at the moment apparently on the assumption that all (or most) employees are people educated and answerable to the law. The information, and working in, say, factories where there are clearly definable and closely interlinked interest groups.

In fact the diversity is startling. If you ask a union to nationalized industry, what further information its officers (or members) require, the answer is usually that there is not much information that they do not have already.

The author is Plowden Professor of Industrial Relations at London Business School.

## FINANCIAL NEWS

## Allied Breweries is reporting this week

The first full working week since before the holidays offers several attractions in scheduled company news profit statements.

Outstanding in terms of sheer size, is Allied Breweries' final, due on Thursday, bringing up the rear of the brewery results season. For the rest, the main interest will lie in Interim-Bakers, Morgan Crucible, and Stock Conversion and Investment Trust, partly in anticipation of their mid-year profit statements, which are expected on Wednesday. Details: TODAY: Interim—Allied Breweries, AVP Ltd, and Hawley

Goodall. Final—Birmingham Pallet. Interim—Will-Kings Match. Final—Bakers Household Stores (Leeds), Bertrams, Debenhams and Partners, and J. F. Nash Secs.

WEDNESDAY: Interim—Brown and Tawse, Butterfield Harvey, Hollis & Co., Howden Group, Alliance, and Morgan Crucible (quarterly figures).

THURSDAY: Interim—AGB Research, Alliance Alders, Clive Discount, E.R.C. (Hldgs), Malm, Morgan Crucible (quarterly), Stead and Simpson, Somport, and Symonds Eog. Final—Allied Breweries, and Hawkins and Tipton.

FRIDAY: Interim—Amber Day Hides, Gray Electronics, and John Waddington. Final—Bert Bros, Flexello, and Spawell Gear.

## French Bourse wipes out its 1974 index loss

In 1975, the Paris Stock Exchange wiped out the 35 per cent loss registered by French shares in 1974, according to a study just published by Agence Economique et Financiere.

The AGEFI index for French shares stood at 99.07 on December 31, 1975, up from 68.13 a year ago. The index, based on 100 equalling January 2, 1962, reached a high of 100.27 and a low of 68.11.

Turnover on the Paris Stock Exchange rose 9.4 per cent last year, to 33,185m francs from 33,178m in 1974, but was below the 1973 record.

The most active stocks last year were Michelin, Carrefour, Moulinex, Air Liquide, SNPA,

## Broad base puts RHM off to bright start

Trading results of Ranks Hovis McDougall, the flour, food and bakery group, for the current year are so far better than those in the corresponding period of the previous record-breaking 12 months, Mr Joseph Rank, chairman, confirms in his annual review.

Despite current economic difficulties and tapering restrictions in some sectors the group, broadly based within the food industry in the United Kingdom and overseas, faces the future with confidence, he adds.

Pre-tax profit increased by 57.35m to a best-ever £30.22m for the year ended August 30, while external sales rose by £93m to £793m.

This improvement came from increased contributions from all areas, apart from the bakery. A measure of profitable trading was restored in this division in the second-half, though the full year's results were well below those of 1974, even before taking into account the costs of rationalization.

Although interest charges on short-term borrowings were higher than the previous year, they were reduced in the second-half following the rights issue and more profitable trading.

Industrial action and the Northern Ireland situation contributed, but government price control was very largely responsible for the net trading loss in the bakery division. The overall circumstances forced a speed-up in long-term rationalization plans, closing 11 bakeries during the year, and installing modern plant in keep costs down and improve efficiency in the bakeries.

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## Hutchison sets March deadline

The remaining provisions to be made in the Hutchison International accounts to take account of the problems of the Altrac group of companies are likely to total around SHK30 to 40m, Reuter cables from Hong Kong.

This should be shown in the accounts for the nine-month financial year ended December 31.

A deadline of end-March has been set for preparation and audit of these accounts, and an annual meeting might be held near the end of May.

Last week agreement was reported reached with Flat-Allis Construction Machinery Inc under which all litigation pending on the Altrac situation will be withdrawn, including that involving other parties.

Claims against Hutchison over Altrac totalled SHK92.4m. The estimate of rolled-up losses of some SHK75m on Altrac since the group was set up, will certainly not be exceeded and is also unlikely to be reduced.

Hutchison accounts for the year ended March 31, 1975, included a tentative provision of SHK4.3m for Altrac. Regarding the SHK75m loss, the estimate after the SHK4.3m and SHK30 to 40m provision, the company said this has already been covered in Hutchison accounts but was unable to give details.

Under the recent agreement was not compensation. It was for equipment received by the Altrac group and either sold or remaining in Altrac stocks.

The 65 trucks and spare parts worth £15,750m, to be returned to Flat-Allis under the agreement, are a separate matter and these goods should in fact just be transferred to the Flat-Allis yards in Singapore.

Flat-Allis, the company said, cancelled the purchase price, interest holding price and all other costs on the returned goods, and sees the agreement as in its own long-term interest.

Hutchison will do its utmost to help move the returned equipment and the new three-year dealership agreement with Flat-Allis in Singapore is particularly significant in this context, as such agreements normally last 12 months.

It remained Hutchison's intention to establish a properly staffed and planned tractor marketing operation in Singapore.

The author is Plowden Professor of Industrial Relations at London Business School.

## I-T-E agrees Gould link-up

I-T-E Imperial Corporation and Gould Inc. have agreed in principle to merge.

The companies said that Gould will terminate its present tender offer to purchase 2.5 million I-T-E common shares at \$20 each and will not purchase any shares under that offer.

Gould will promptly make a new offer to purchase one million I-T-E shares, the statement added, at \$20 a share. Meanwhile, I-T-E said its directors have agreed to support both the merger and the new offer.

A definitive merger agreement will be prepared later for approval by both companies' boards and shareholders.

The companies also said the pending litigation between them will be dismissed as a result of the merger agreement.

In the meantime, Gould Inc. has raised its quarterly dividend to 34 cents from 30 cents, payable March 15.—Reuter.

## World-wide filip for Netherlands

Marked progress is recorded by Nationale-Nederlanden in 1975, with an estimate of the increase in turnover showing (in millions of guilders), premium life insurance at 15,400m; premium non-life insurance at 1,370m (1,095m); specialist reinsurance activities 280m (nil); and income from investments and other activities 860m (690m), and total turnover of 18,150m (15,585m) or 18.15 per cent at 4,050m (2,980m).

The increase in turnover is strongly affected by the fact that the figures of the BOZ, the Netherlands Reinsurance Group, the Peeters Insurance Co., and the Viscont National Life Co., have been included for the first time. Disregarding these new participations, as well as the foreign exchange fluctuations, the increase in turnover is about 18 per cent.

Worth noting is the strong expansion of the Group's international activities which rose by 78 per cent and now account for nearly 30 per cent (last year 22 per cent) of the turnover. The growth of the turnover is, among other things, still influenced by the continuing inflation which also affects expenses.

The interests of Slater, Walker Securities and its subsidiaries in Deutsche Holdings as of May 15 last totalled some 856,000 ordinary shares, about 20.71 per cent of the equity. (This is not a disclosure under the Companies Act.) Meanwhile, Estate House Investment Trust on December 30 disclosed its holdings of 656,000 ordinary shares in American Association.

It is also disclosed that Schroder Waggon December 30 bought some 73,750 shares of Hoffman, Rolland at 62p, on behalf of associates. On the same date they also bought some 25,000 Alexander Howden ordinary at 135p on behalf of associates.

## Share disclosures

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## Management

## Dilemmas of the under-financed and officered TUs

One of the most remarkable episodes in the history of the TU occurred in 1902, when the leadership advertised in the national press for a clerical assistant to the part-time secretary of the parliamentary committee. There were 1,000 applicants, and two out of a shortlist of 12 withdrew when they were told that there was no prospect of promotion. The part-time secretary, W. J. Bell, died in 1943 as head of the national department.

There is something of the same situation abroad today. A remarkable number of people do like to work for the union movement, but can see no prospect of doing so. Perhaps a thousand applications for one job has not been filled lately, but one cannot tell the impression that a highly qualified person is entering on the brass doors of the union movement and not in.

It is a matter of fact that Union members in Britain are unusually keen about subscriptions. Whereas in Western Europe generally the norm of hourly pay for a week's subscription is more or less £1, in Britain now it is £1.10 minutes' pay, and in some cases the subscription is more than £1.000 a year.

As long ago as 1886 James Mawdsley, the conservative leader of the British cotton-spinners' union, went to an international conference in London and made one of those celebrated admissions which are so current today—highlighted, for example, in Baron von Platner's article in *The Times* on December 19: "The standard of education does not measure up to the possibilities inherent in the British people".

Mawdsley said, as reported by the *Webbs*: "The workmen of England were not so advanced as the workmen of the Continent. Nevertheless, they, at least, possessed one clear conception: they realized that the actual producers did not obtain their share of the wealth they created."

This is at best a very modest perception. More exhortation does not encourage an increase in the production of wealth—and indeed for most employees in Britain merely working harder would make very little difference either to the amount of wealth produced or the allocation of shares in it. The organization of greater effectiveness is just as important.

Individual trade union leaders, as they grow older and greyer in office, sometimes have an opportunity to assist in more purposeful organization. The late Eddie Marsden, leader of the constructional engineers, is a greater loss to the industry simply because he had reached this stage of maturity in office when he died.

But the nature of the British union movement, under-officered and teeming spontaneous, means that this must be a slow process in individual cases.

There is no natural well within the union movement itself from which systematically trained leadership emerges. Only a minority of the bright young unionists who go to

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[illegible]



## Capitalization & week's change

\$ Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)

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Turn, 2nd  
double bus-  
ness, c. & b.  
w. Church  
St. 2nd floor  
rooms. A  
black avail-  
able at night.  
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**KATHINI GRANA**

(continued)

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